

385.03 Union Pacific railway

-U58 Report of the directors to the stockholders.
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REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC RAILWAY
FOR THE YEAR 1882.

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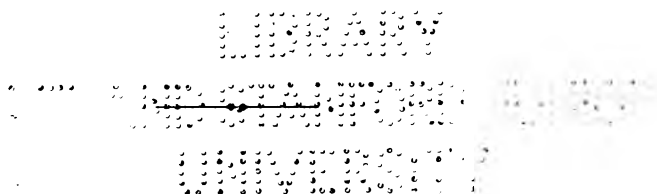
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REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC
RAILWAY,

FOR THE YEAR 1882.



NEW YORK :
RUFUS ADAMS & Co., STATIONERS AND PRINTERS, 4 AND 6 PINE ST.,
1883.

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DIRECTORS

OF THE

UNION PACIFIC RAILWAY COMPANY.

| | | | |
|--------------------------|-----------------|--------------------|-----------|
| F. L. AMES..... | Boston. | SIDNEY DILLON..... | New York. |
| ELISHA ATKINS..... | Boston. | DAVID DOWS..... | New York. |
| EZRA H. BAKER..... | Boston. | JAY GOULD..... | New York. |
| F. G. DEXTER..... | Boston. | RUSSELL SAGE..... | New York. |
| CHAS. FRANCIS ADAMS, Jr. | Boston. | SOLOMON HUMPHREYS. | New York. |
| S. H. H. CLARK..... | Omaha. | ANDREW H. GREEN.. | New York. |
| G. M. DODGE..... | Council Bluffs. | AUGUSTUS SCHELL.. | New York. |
| JOHN SHARP..... | Salt Lake. | | |

GOVERNMENT DIRECTORS.

| | |
|-----------------------|------------------|
| ISAAC H. BROMLEY..... | New Haven, Ct. |
| GEORGE G. HAVEN..... | New York City. |
| WATSON PARRISH..... | Oakland, Neb. |
| EDWARD P. FERRY..... | Park City, Utah. |
| COLGATE HOYT..... | New York City. |

GENERAL OFFICERS.

| | |
|----------------------|--|
| SYDNEY DILLON..... | <i>President</i> , New York. |
| ELISHA ATKINS..... | <i>Vice-President</i> , Boston. |
| SYDNEY BARTLETT..... | <i>General Counsel</i> , Boston. |
| JOHN F. DILLON..... | <i>General Solicitor</i> , New York. |
| HENRY McFARLAND..... | <i>Secretary and Treasurer</i> , Boston. |
| O. W. MINK..... | <i>Assistant Secretary and Assistant Treasurer</i> , Boston. |
| JAMES M. HAM..... | <i>Assistant Secretary and Assistant Treasurer</i> , New York. |
| H. B. WILBUR..... | <i>Auditor</i> , Boston. |
| JAMES G. HARRIS..... | <i>Transfer Agent</i> , Boston. |
| H. J. WORCESTER..... | <i>Transfer Agent</i> , New York. |

OFFICERS ON THE LINE.

| | |
|----------------------|--|
| S. H. H. CLARK..... | <i>General Manager</i> , Omaha. |
| T. L. KIMBALL..... | <i>Assistant General Manager</i> , Omaha. |
| A. J. POPPLETON..... | <i>Attorney</i> , Omaha. |
| J. P. USHER..... | <i>Attorney</i> , Lawrence, Kansas. |
| J. W. GANNETT..... | <i>Auditor</i> , Omaha. |
| FRANK D. BROWN..... | <i>Cashier</i> , Omaha. |
| P. J. NICHOLS..... | <i>General Superintendent Nebraska Division</i> , Omaha. |
| S. T. SMITH..... | <i>General Superintendent Kansas Division</i> , Kansas City. |
| A. A. EGBERT..... | <i>General Superintendent Colorado Division</i> , Denver. |
| E. DICKINSON..... | <i>Gen'l Superintendent Wyoming Division</i> , Laramie, Wyo. |
| W. B. DODDRIDGE..... | <i>Gen'l Superintendent Idaho Division</i> , Ogden, Utah. |
| E. P. VINING..... | <i>Freight Traffic Manager</i> , Omaha. |
| J. W. MORSE..... | <i>General Passenger Agent</i> , Omaha. |
| C. S. STEBBINS..... | <i>General Ticket Agent</i> , Omaha. |
| LEAVITT BURNHAM..... | <i>Land Commissioner</i> , Omaha. |
| B. McALLISTER..... | <i>Land Commissioner</i> , Kansas City. |

REPORT.

*To the Stockholders of the
Union Pacific Railway Company.*

Your Directors submit the following report of the operations of the Company for the year ending December 31st, 1882.

LENGTH OF ROAD.

UNION DIVISION:

Council Bluffs to the Junction with the Central
Pacific Railroad, - - - - 1,042.4 miles.

KANSAS DIVISION:

Kansas City to Denver, and Leavenworth to
Lawrence, - - - - 672.5 miles.

CHEYENNE DIVISION:

Denver to Cheyenne, - - - - 106 miles.

Total, - - - - 1,820.9 miles.

EARNINGS AND EXPENSES.

| | | |
|--|-----------|-----------------|
| *The Gross Earnings of the Company for the year were | - - - - - | \$22,823,884.24 |
| Operating Expenses (including Taxes, | - | 10,727,049.28 |
| | | <hr/> |
| Surplus Earnings, | - - - - - | \$12,096,834.96 |
| Interest and Dividends collected on Investment Securities, | - - - - - | 2,211,099.35 |
| | | <hr/> |
| Total Surplus Earnings, | - - - | \$14,307,934.31 |

PAYMENTS.

| | | |
|---|-----------|----------------|
| Interest on Bonds, | - - - - - | \$4,976,203.93 |
| Discount, Interest and Exchange, | - | 172,722.31 |
| Sinking Funds, | - - - - - | 442,000.00 |
| Amount due the United States on the business of the year, | - - - - - | 2,097,189.90 |
| Premiums paid on Bonds redeemed and losses on Securities disposed of, | - - - - - | 18,923.16 |
| | | <hr/> |
| | | 7,707,039.30 |
| Balance applicable to Dividends, | - - - | 6,600,895.01 |
| Stock Dividends, 7 per cent, | - - - | 4,260,788.00 |
| | | <hr/> |
| Surplus for the year, | - - - - - | \$2,340,107.01 |

FUNDED DEBT.

| | |
|---|------------------------|
| The total Funded Debt of the Company, | \$90,717,707.55 |
| Less amount held by Trustees of Consolidated Bonds, | - - - - - 8,872,200.00 |
| | <hr/> |
| Balance outstanding | - - - \$81,845,507.55 |

*The gross earnings of the Union Pacific System, including Branch Lines, amounted to \$30,363,927.75 for the year 1882.

BONDS RETURNED AND CANCELED DURING THE YEAR.

| | |
|---|----------------|
| Land Grant Bonds, - - - - - | \$714,000.00 |
| Sinking Fund Mortgage Bonds, - - - - - | 143,000.00 |
| Omaha Bridge Bonds, - - - - - | 77,000.00 |
| Collateral Trust Bonds, - - - - - | 131,000.00 |
| Bonds held by Trustees Denver Extension | |
| Mortgage, Denver Extension Bonds, - | 88,000.00 |
| | <hr/> |
| Total, - - - - - | \$1,153,000.50 |

EARNINGS.

| | |
|-------------------------------------|-----------------|
| From Transportation of Passengers - | \$5,197,730 01 |
| “ “ Freight - - | 15,402,167.37 |
| “ “ Mail - - | 746,515.61 |
| “ “ Express - - | 748,932.30 |
| “ Miscellaneous Earnings, - - - | 728,538.95 |
| | <hr/> |
| Total, - - - - - | \$22,823,884.24 |

Compared with the preceding year there has been an increase of 1 1-4 per cent. from transportation of passengers, three per cent from transportation of mails, four per cent. from express transportation and thirteen per cent. from miscellaneous business. The increase in earnings from the transportation of passengers, although small in amount, is regarded as a very favorable result of the year's business in view of the diminished rate of passenger fare, and also of the opening during the summer of another railway line between the Missouri River and Denver. It is also a favorable feature that although there was a loss in earnings from through passenger traffic, there was an increase in earnings from local passenger traffic in excess of that loss.

The earnings from transportation of freight were \$1,660,-959.82 less than the earnings from the same source during the preceding year. The diminished earnings resulted in

consequence partly of reduced rates of freight transportation, which amounted to nearly one-tenth of one cent per ton per mile on the entire freight tonnage of the year, but chiefly from diminished quantity of through and Pacific Coast tonnage.

The tonnage of local freight increased from 1,402,860 tons in 1881, to 1,609,500 tons in 1882, and the aggregate tonnage of freight moved on the road whether for short or long distances in 1882 was 36,600 tons in excess of the tonnage of 1881. In the transportation of metallic ores and coke there has been an increase of tonnage over the preceding year of 56 per cent., in wheat and corn of 40 per cent., and in agricultural implements, vehicles and lumber, of 20 per cent., and of merchandise of 180 per cent.

OPERATING EXPENSES.

The operating expenses (including taxes) in

| | | | | | | |
|-------------|---|---|---|---|---|-----------------|
| 1882, were, | - | - | - | - | - | \$10,727,049 28 |
|-------------|---|---|---|---|---|-----------------|

The operating expenses (including taxes)

| | | | | | | |
|---------------|---|---|---|---|---|---------------|
| in 1881 were, | - | - | - | - | - | 12,480,342 71 |
|---------------|---|---|---|---|---|---------------|

| | |
|-----------------------|----------------|
| Decrease in 1882..... | \$1,753,293.43 |
|-----------------------|----------------|

The percentage of operating expenses (including taxes) to gross earnings for the year 1882 as compared with the year 1881 decreased from 51.45 to 47 per cent.

It will be observed that the very material reduction in the expenses of maintaining and working the road for 1882, when compared with 1881, which was anticipated in the last Annual Report, as the result of the large expenditure of the preceding year for repairs to track and rolling stock and for steel rails, has been fully realized in the diminished rate for 1882 of 4.45 per cent. of operating expenses. More efficient train service has also been secured, thereby promoting the convenience of both passengers and of ship pers of freight.

COAL MINING.

The Coal mined by the Company for the use of its locomotives and shops, and also for sale, amounted to 738,220

tons which cost an average of \$1.46 1-2 loaded on cars. Of this quantity there were sold 238,891 tons at an average price of \$5.28 per ton.

The mines worked by the Company are situated at six different localities in the State of Colorado and in the Territories of Wyoming and Utah. The coal of each locality has a distinctive character, but all the varieties are excellent for steaming purposes; and, in addition, the coals from Rock Springs and Grass Creek are especially valuable for domestic use.

During the past year the sum of \$151,100 was expended in opening new mines and for additional machinery. This expenditure has brought the capacity of the mines to the daily output of 5200 tons which is about twice the output of the past year.

The increase in the consumption of coal along the line of the Company's Railroad being at the rate of about 25 per cent. per year, it would appear that provision has been made, by these improvements, for the probable demand for the next three years.

Realizing the fact that cheap fuel is an important element in the development of mining and manufacturing interests, and also of agricultural interests in a section of country where wood is expensive, the Company has adopted the policy of furnishing coal to consumers along the line of its road at a small advance on the cost of mining and transportation. The increased quantity of coal sold during 1882 over 1881 amounted to 66,605 tons, and the decreased cost to consumers was at an average rate of ten cents per ton. It is probable that increase of demand will continue to be accompanied by reduction in price.

LARAMIE ROLLING MILL.

The Company's mill at Laramie turned out 11,832 tons of iron rails and 5,884,339 pounds of bar iron, splices, spikes, bolts and nuts. The rails were laid on the lines of controlled roads, and the rail fastenings were used both for those lines and for the steel rails on the Company's main

lines. Arrangements have been made to substitute gas furnaces for the heating furnaces now in use at this mill, which will not only effect a large saving in the cost of fuel, but will also ensure a superior quality of manufactured iron.

There yet remain in the main track on the Kansas and Denver divisions of the line 30,000 tons of iron rails, which can be re-rolled at this mill when taken up to be replaced by steel rails, and can be used for side tracks on main lines, and for those branch lines having a very limited amount of business.

LAND SALES.

During the year there were sales of land to 3062 purchasers, who bought 398,074 acres at the average price of \$4.45 per acre. The proceeds of the Land Department, including sales of town lots, amounted to \$1,625,618.32. The net proceeds of the Union Pacific Land Grant to Dec. 31st, 1882, amounted to \$8,307,654.62; and the Kansas Pacific and Cheyenne Land Grants to same date, amounted to \$5,560,532.72, the Total being \$13,868,187.34. The lands of the Company remaining to be sold have not yet been fully surveyed and sectionized; and it is therefore impossible, at this time, to state their exact character. It is certain, however, that they include a large area of land cultivable without irrigation, several millions of acres where irrigation is necessary in order to raise crops, but where water is attainable at a warrantable cost; and also other millions of acres of land valuable for pasturage. A very small percentage of the lands of the Company is approximately without value. The lands in the Bitter Creek country, which from surface indications appear to be almost valueless, are underlaid with workable veins of bituminous coal of excellent quality, and in several localities these lands contain deposits of valuable iron ore.

The coal lands belonging to the Company, from the most easterly to the most westerly outcrop, extend along the line of the railroad, a distance of over four hundred miles. From coal developments and outcroppings it is estimated

that the area of the Company's coal lands amounts to several hundred thousand acres. The artesian well borings at Rock Springs, where the Company mined 276,000 tons of coal last year, showed an aggregate thickness of sixty feet of coal in a depth of 1,200 feet; and at Almy, where the Company mined 116,000 tons of coal last year, the producing vein is twenty-eight feet thick.

RENEWALS AND REPAIRS.

During the past year 16,854 tons of steel rails were laid in renewal of track. The line from Council Bluffs to Ogden, 1,042 miles, and also about one-half of the Kansas Division are laid with steel rails. There were 690,637 cross ties of oak, cedar and pine laid in place of old ties taken up. These renewals have served to maintain the track in thoroughly good condition. Six iron truss bridges have been built, having a total length of 2028 feet, in place of wooden bridges; and additional iron truss bridges are in course of erection. Ninety pile bridges have been built, having an aggregate length of 6,150 feet. In addition to entire renewals of bridges as above stated, renewals of stringers, caps, &c., have been made to 74 truss and pile bridges, having an aggregate length of 4,485 feet.

To afford proper accommodation for freight business, and to avoid delay to trains, it was found necessary to lay 37 miles of new side track during the year. Iron rails but slightly worn, taken from the main track, were used for this purpose.

The report of the Government Directors to the Secretary of the Interior, dated February 19th, 1883, states:—"The road will compare favorably in all respects with any other railroad line or system in the country. It has now a solid, well-ballasted road-bed, with all steel rails throughout the main line; the grades and curves are being reduced to a minimum as rapidly as possible, the stations are well ordered, and kept in good condition."

The locomotive service has been greatly improved by the addition of 12 powerful consolidation engines, in place of

16 locomotives too light for economical service, which were sold.

The total engine mileage for the year was 9,611,683 miles, and the train mileage cost \$1.11 6-10 per mile.

CONNECTING RAILROADS.

The lines of railroads connecting with the Union Pacific Railway and operated under its control were extended during 1882 as follows:

| | |
|---|---------------|
| Utah & Northern Railroad, - - - | 46 1-2 miles. |
| Oregon Short Line Railroad, - - - | 191 " |
| Laramie, North Park & Pacific Railroad, - | 13 1-2 " |
| Omaha & Republican Valley Railroad, - | 27 1-2 " |
| Greeley, Salt Lake & Pacific Railroad, - | 29 " |
| Manhattan & Blue Valley Railroad, - | 4 1-2 " |
| Denver, So. Park and Pacific Railroad, - | 68 " |
| Total, - - - - - | 380 miles. |

The aggregate length of connecting railroads operated in the interest of your company, Jan. 1st, 1883, amounted to 2872 miles, as follows:

| | |
|--|------------|
| Omaha and Republican Valley R. R., - - | 160 miles. |
| Omaha, Niobrara and Black Hills R. R., - | 84 " |
| Marysville and Blue Valley R. R., - - | 38 " |
| Colorado Central Railroad, - - - - | 327 " |
| Echo and Park City Railroad, - - - - | 32 " |
| Utah and Northern Railroad, - - - - | 462 " |
| Oregon Short Line Railroad, - - - - | 255 " |
| Greeley, Salt Lake and Pacific R. R., - | 41 " |
| Carbondale Branch R. R., - - - - | 31 " |
| Junction City and Fort Kearney R. R., - | 70 " |
| Solomon Branch R. R., - - - - | 57 " |
| Salina and Southwestern R. R., - - - | 35 " |
| Golden Boulder and Caribou R. R., - - | 6 " |
| Denver and Boulder Valley R. R., - - | 27 " |
| St. Joseph and Western R. R., - - - | 251 " |

| | |
|---|--------------|
| Central Branch U. P. R., and leased lines, (oper- ated by the Missouri Pacific R. R.,) - - | 388 miles. |
| Kansas Central R. R., - - - - | 165 " |
| Denver, South Park and Pacific R. R., - | 264 " |
| Manhattan, Almy and Burlingame R. R., - | 28 " |
| Manhattan and Northwestern R. R., - - | 4 " |
| Salt Lake and Western R. R., - , - - | 54 " |
| Nevada Central R. R., - - - - | 93 " |
| <hr/> | |
| Total, - - - - - | 2,872 Miles. |

OREGON SHORT LINE RAILWAY.

The Oregon Short Line Railway at this date (March 1st) is completed to Shoshone, a distance of 321 miles from its connection with the Union Pacific Railway, and is now open for business to that point, where a branch road diverges to the Wood River Mining District. This mining district has been developed for an area of 75 miles in length by 30 miles in width, but from want of railway transportation, the most valuable ores only have been forwarded to market. Ores of lower grades varying from \$75 to \$150 per ton in value have been mined and piled awaiting the completion of the railway. Of these ores there are many thousands of tons ready for shipment, the deposit at two mines in Muldoon County amounting to 20,000 tons.

It is the opinion of skilled experts who have examined this region that it will equal any mining region hitherto developed, not only in the richness and quantity of ores extracted, but also in the permanency of the yield.

The Union Pacific Railway will receive earnings during the present year from the transportation of Wood River business on 876 miles of its main line, which will be almost wholly an addition to its former business.

The grading of the Wood River branch, fifty miles long, is completed, and the track will be laid within the next sixty days. The grading on the remaining portion of the Oregon Short Line, a length of 244 miles, is one-fourth

done. The grading would have been much further advanced but for the breaking out of small-pox among the workmen last summer, which also prevented the laying of about 80 miles of track. It is expected that the entire line, to a connection with the Oregon Railway and Navigation Co., near the mouth of Burnt River, in Oregon, will be completed by January 1st, 1884.

UTAH AND NORTHERN RAILROAD.

During last year this railroad was completed to the point where a connection will be made with the Northern Pacific Railroad. The line of the Utah and Northern Railroad traverses the most important mining and business regions of the territory, and the connection with the Northern Pacific Railroad will give access to Helena and numerous mining camps on the line of that road. This line also gives access to the Yellowstone Park, in Wyoming Territory, by a short wagon route, and it only requires that suitable hotel arrangements be made within the Park, which it is understood will be secured the coming season, to ensure a very large travel to this most attractive locality.

DENVER, SOUTH PARK AND PACIFIC R. R.

The extension of this line across the Continental divide to the valley of the Gunnison has penetrated a region rich in precious minerals, with deposits of anthracite and bituminous coal, and iron ores of extraordinarily good quality. Arrangements have been made to extend the track 16 miles, to the bituminous coal field, early in the coming season, the grading for which is completed.

OTHER LINES.

Extensions have been made on four other lines, amounting in the aggregate to 74½ miles, all of which contributed to increase their earnings, and added to the volume of business passing over the Union Pacific Railway.

Probably no feature of railroad policy has been more fully endorsed than that of extending the area of country tributary to a line of railway by the construction of branches. Adopted at an early day in railroading as a measure of aggrandizement, it has become, in the keen competition of railroads for business, indispensable to their prosperity, and it is to be observed that the public interest is more effectually served by the operation of branches to main lines of travel and traffic than by parallel routes, as the concentration of business facilitates economy in transportation, which insures lower rates to the public. The Union Pacific Railway, instead of confining the benefits of its construction to a narrow belt of country, has, by the branch lines in which it has invested its means and earnings, extended these benefits to an area embracing a width of hundreds of miles. Flourishing towns in Colorado, Utah, Idaho and Montana, remote from the main line of railroad, have been developed, that would otherwise have had no existence, and the production of precious minerals in regions equally remote has been stimulated by the facilities afforded by railroad transportation. It is not doubted that a large share of the prosperity of Colorado, Utah and Montana has resulted from the existence of the branch lines controlled by the Union Pacific Railway Company.

The income to your Company of these lines, after the expenses of maintenance and operation were deducted, amounted to \$2,211,099.35. It will be seen that the Union Pacific Railway Company obtained from the net earnings of its branch roads, during the past year, a sum in excess of three and three-fifths per cent. on the amount of its capital stock.

Arrangements have been made with all the roads that receive business from, or contribute business to the Union Pacific Railway, and also with parallel roads, on terms of mutual advantage. The further extension of some of these lines into territory now tributary to the Union Pacific Railway will doubtless lead to a readjustment of existing arrangements; but no doubt is entertained that such readjustment can be readily arrived at upon a basis inuring

to the common benefit of the lines interested, and to the public interest.

The steady increase, both in the local business of the Union Pacific Railway and in the business from the mining districts of Colorado, Utah, Idaho, and Montana, give ample assurance that concessions made to parallel lines will be much more than counterbalanced by the business derived from these sources.

FINANCIAL.

During the last year the amounts required to be paid to the United States under the Acts of 1862, 1864 and 1878, *exceeded* the interest paid by the United States on the subsidy bonds issued to the constituent companies by \$84,819.18. Adding to that amount the interest for the year collected by the United States on the Sinking Fund investments held for the benefit of the Company, and which amounted to \$31,621.19, there will result upon the year's settlement a payment by the Company towards the principal of the debt to the United States of \$116,440.37.

These settlements do not, however, take place until after the examination of the Company's annual accounts by the United States Commissioner of Railroads, usually made soon after our annual meeting. The reduction of the debt to the United States does not, therefore, appear in the present balance sheet.

The results referred to are reached by making the necessary calculations upon the Company's understanding, as advised by its counsel, of the meaning of the term "net earnings," concerning which there exists between the Government and the Company a difference of opinion; the Company maintaining that under decisions of the U. S. Supreme Court the expenditures for new construction and new equipment are proper charges against the earnings, while the United States officers contend that they are not. During the last year, under the Government view of this question, the Company would be required to pay in addi-

tion to the amount shown in its Income Account, the sum of \$95,557.50.

At a conference between the representatives of the Government and of the Company, held several months since, it was arranged that this controversy should be put in shape to go before the courts for adjudication, and it is probable that the proceedings will shortly be commenced.

There exists also a difference between the Government and the Company as to the amount of compensation to which the Company is entitled for performing the mail service; but the amount in dispute for the last year, so far as the earnings account is concerned, is small, since the allowances of the Post Office Department are gradually reaching the charge made by the Company, which charge has not been increased in the accounts for some years, although the service has largely increased in value.

The United States Supreme Court has passed upon the merits of this matter and has rendered an opinion sustaining the principle for which the Company contended, namely: that the company is entitled to "fair and reasonable rates" for the mail service, and that it is not bound to accept the rates fixed by the Postmaster General. The question as to the correctness of the rates charged by the Company is now under investigation and will probably come before the Court of Claims to which Court it was recently remanded.

OPERATIONS OF 1882.

It will be seen by the Financial Statements that the Surplus General Income, after payment of all fixed charges of Government requirements and of 7 per cent. Dividend to Stockholders, amounted to \$2,340,107 01 which is equal to $3\frac{34\frac{5}{100}}{1000}$ per cent. on amount of Capital Stock.

Surplus Land and Trust Income, - - \$1,088,495 60 which is equal to $1\frac{78\frac{8}{100}}{1000}$ per cent. on amount of Capital Stock.

Surplus Income used for Sinking Funds, - 442,000 00 which is equal to $\frac{72\frac{6}{100}}{1000}$ per cent. on amount of Capital Stock.

Surplus Special U. S. Income Accounts, - \$116,440 37
 which is equal to $1\frac{81}{1000}$ per cent. on amount
 of Capital Stock.

Total additions to Surplus for 1882, in excess
 of dividends of 7 per cent., - - - \$3,987,042 98
 which is equal to $6\frac{188}{1000}$ per cent. on amount of
 Capital Stock of the Company.

CONCLUSION.

The policy of securing for the Company and its stockholders, by a judicious investment of its means and earnings as before stated, not only the tributary business resulting from branch lines, but also the annual profits of their operation and the income from lucrative investments in them, has been fully vindicated. In carrying out this policy it has been necessary at times to make considerable temporary advances or investments, but this has been done without inconvenience to the finances of the Company. So far as these have been derived or made from other sources than the cash income of the Company, a conversion of a portion of the bonds resulting from such investments, and now in the possession of the Company unincumbered, would refund the amounts and leave the Company the owner of the balance of the bonds and all of the stocks now in the treasury.

A review of the results of the business of the year may well be the subject of congratulation to the stockholders. The conservative policy by which, for years past, a large portion of the annual surplus earnings of the Company has been applied to improving the line of railway, thereby lessening operating expenses, and to the creation of tributary lines, and in promoting the local business, has partially matured its fruits during the past year. It cannot be doubted that the continuation of this policy will be attended with even more favorable results.

SIDNEY DILLON,

President.

FINANCIAL
STATEMENTS,
1882:

2. DEFINITION AND ELEMENTS. THE
DEFINITION.

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1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

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December 31, 1882.

| | | |
|--|-----------------|------------------|
| Capital Stock | | \$60,868,500 00 |
| Funded Debt..... | \$90,717,707 55 | |
| Less amount held by the Trustees under the Kansas Pacific Consolidated Mortgage..... | 8,872,200 00 | 81,845,507 55 |
| UNITED STATES BONDS AND INTEREST. | | |
| Union Pacific R. R. Co. Bonds..... | \$27,236,512 00 | |
| Kansas Pacific Railway Co. Bonds.... | 6,303,000 00 | \$33,539,512 00 |
| Interest accrued thereon. | 30,080,998 14 | |
| Less amounts repaid by Company. | 16,944,509 41 | 13,136,488 73 |
| | | 46,676,000 78 |
| UNFUNDED DEBT— | | |
| Notes Payable... .. | \$2,748,000 00 | |
| Accounts Payable... .. | 2,557,337 73 | |
| Coupons, Dividends, and Drawn Bonds, including those due January 1, 1883... .. | 2,398,237 37 | |
| Audited Bills, Pay Rolls, &c., for December, 1882..... | 2,148,749 68 | \$9,852,324 78 |
| Less Cash on hand... .. | \$1,609,660 57 | |
| Balances due from Station and other Agts. and Foreign Roads, | 1,692,516 99 | |
| Balances due from auxiliary Roads,.. | 927,648 09 | |
| Company's Stocks and Bonds owned by the Company..... | 2,011,318 85 | |
| Fuel and Material on hand..... | 2,768,437 35 | 9,009,581 85 |
| | | 842,742 93 |
| Interest accrued not yet due..... | | 789,634 99 |
| INCOME ACCOUNTS— | | |
| General Income..... | \$6,993,247 55 | |
| Income used for Sinking Funds..... | 1,315,000 00 | |
| Land and Trust Income..... | 2,674,221 53 | |
| | \$10,982,469 08 | |
| Deduct Deficit of U. S. Requirements as compared with annual U. S. Interest Feb. 1, 1880, to Dec. 31, 1882.... | 450,557 68 | 10,531,911 40 |
| | | \$201,554,297 60 |

INCOME ACCOUNT, 1882.

| | | |
|---|-----------------|------------------------|
| By Gross Earnings, as per statements... | \$22,823,884 24 | |
| Less, Operating Expenses, as per statements | 10,727,049 28 | |
| Surplus Earnings..... | | \$12,096,834 96 |
| INCOME FROM INVESTMENTS. | | |
| Dividends on Stocks.... | \$1,036,507 50 | |
| Interest on Bonds..... | 1,174,591 85 | |
| | | 2,211,099 35 |
| | | <u>\$14,307,934 31</u> |
| To Interest on Bonds..... | \$5,234,478 93 | |
| Less, repaid to the Co. by Trustees K. P. Consolidated Mortgage..... | 258,275 00 | |
| | | \$4,976,203 93 |
| To Discount, Interest and Exchange..... | 172,722 31 | |
| TO COMPANY'S SINKING FUND REQUIREMENTS: | | |
| Sinking Fund Mortgage Bonds..... | \$134,000 00 | |
| Omaha Bridge Bonds..... | 77,000 00 | |
| Denver Extension Sinking Fund | 100,000 00 | |
| Collateral Trust Bonds.... | 131,000 00 | |
| | | 442,000 00 |
| To amount due the United States on the business of the year | 2,097,189 90 | |
| To premiums paid on bonds redeemed and losses on securities disposed of.... | 18,923 16 | |
| | | <u>\$7,707,039 30</u> |
| Balance applicable to Dividends.... | | \$6,600,895 01 |
| To Dividends at seven per cent. | | <u>4,260,788 00</u> |
| Amount added to surplus for the year... | | \$2,340,107 01 |
| By Balance credit, at date of last report, Dec. 31, 1881 | \$4,562,157 07 | |
| By Balance credit of Collateral Trust Income account on the same date, transferred to Income account..... | 90,983 47 | |
| | | <u>\$4,653,140 54</u> |
| By Balance, credit, Dec. 31, 1882, as per General Balance Sheet | | <u>\$6,993,247 53</u> |

Comparative Statement of Earnings and Expenses.

| EARNINGS. | YEAR 1881. | YEAR 1882. |
|--------------------------------|-----------------|-----------------|
| Passengers—Cash..... | \$4,922,711 28 | \$5,054,343 73 |
| “ Government..... | 208,860 11 | 143,386 28 |
| Freight—Cash..... | 15,075,515 28 | 13,543,841 56 |
| “ Government..... | 484,013 14 | 361,648 07 |
| “ Company..... | 1,503,598 78 | 1,496,677 74 |
| Mail..... | 721,312 34 | 746,515 61 |
| Express..... | 696,184 12 | 748,932 30 |
| Miscellaneous..... | 646,622 05 | 728,528 95 |
| Total Earnings..... | \$24,258,817 10 | \$22,823,884 24 |
| Expense ratio, per cent., | 51.45. | 47.00. |
| EXPENSES. | YEAR 1881. | YEAR 1882. |
| Conducting Transportation..... | \$2,482,587 56 | \$2,392,498 72 |
| Motive Power..... | 4,073,043 19 | 3,775,888 47 |
| Maintenance of Cars..... | 1,112,862 52 | 957,943 44 |
| Maintenance of Way..... | 2,179,071 36 | 2,082,492 48 |
| Renewal of Rails..... | 1,700,425 96 | 556,142 66 |
| General Expenses..... | 538,340 63 | 474,296 97 |
| Taxes..... | 394,011 49 | 487,786 54 |
| Total Expenses..... | \$12,480,342 71 | \$10,727,049 28 |
| Surplus Earnings..... | \$11,778,474 39 | \$12,096,834 96 |

Statement of the Funded Debt, December 31, 1882.

| | ISSUED AND UNPAID. | Held by Trustees Kansas Pacific Consolidated Mortgage. | AFLOAT. |
|--|-----------------------|---|-----------------|
| UNION PACIFIC RAIL- ROAD Co.— | | | |
| First Mortgage Bonds... | \$27,229,000 00 | | \$27,229,000 00 |
| Land Grant Bonds..... | 4,670,000 00 | | 4,670,000 00 |
| Sinking Fund Coupon Bonds..... | 12,613,000 00 | | 12,613,000 00 |
| Sinking Fund Registered Bonds..... | 1,248,000 00 | | 1,248,000 00 |
| Omaha Bridge Bonds.... | 1,888,000 00 | | 1,888,000 00 |
| Collateral Trust Bonds.. | 4,918,000 00 | | 4,918,000 00 |
| KANSAS PACIFIC RAIL- WAY Co.— | | | |
| Eastern Division Bonds.. | 2,240,000 00 | | 2,240,000 00 |
| Middle Division Bonds.. | 4,063,000 00 | | 4,063,000 00 |
| Denver Extension Bonds. | 6,323,000 00 | | 6,323,000 00 |
| Leavenworth Branch Bonds..... | 600,000 00 | \$533,000 00 | 67,000 00 |
| Consolidated Mortgage Bonds..... | 15,640,005 00 | | 15,640,005 00 |
| First Land Grant Bonds. | 1,430,250 00 | 1,430,250 00 | |
| Second Land Grant Bonds | 1,500,000 00 | 1,499,000 00 | 1,000 00 |
| Income Bonds..... | 263,700 00 | 187,650 00 | 76,050 00 |
| Income Bonds Subordi- nated..... | 4,011,650 00 | 3,205,300 00 | 806,350 00 |
| Eastern Division Coupon Certificates..... | 405 00 | | 405 00 |
| Denver Extension Cou- pon Certificates..... | 4,567 50 | | 4,567 50 |
| Leavenworth Branch Coupon Certificates... | 9,870 00 | | 9,870 00 |
| First Land Grant Coupon Certificates..... | 1,260 05 | | 1,260 05 |
| Cheyenne Branch Bonds. | 2,064,000 00 | 2,017,000 00 | 47,000 00 |
| | \$90,717,707 55 | \$8,872,200 00 | \$81,845,507 55 |

*Statement of Securities held by the Trustees under the Kansas Pacific
Railway Co.'s Consolidated Mortgage.*

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*Comparative Statement of the Income Accounts for
the Years 1881 and 1882.*

| | *1881. | 1882. | Increase. |
|---|-----------------|-----------------|-----------------|
| Earnings..... | \$24,258,817 10 | \$22,823,884 24 | †\$1,434,932 86 |
| Operating Expenses..... | 12,480,342 71 | 10,727,049 28 | † 1,753,293 43 |
| Surplus Earnings. | \$11,778,474 39 | \$12,096,834 96 | \$318,360 57 |
| Income from Investments | 1,778,333 31 | 2,211,099 35 | 432,766 04 |
| Surplus Earnings and In- come from Investments | \$13,556,807 70 | \$14,307,934 31 | \$751,126 61 |
| Interest on Bonds..... | \$5,124,034 39 | \$4,976,203 93 | †\$147,830 46 |
| Sinking Fund Require- ments..... | 439,000 00 | 442,000 00 | 3,000 00 |
| United States Require- ments..... | 1,653,358 81 | 2,097,189 90 | 443,831 09 |
| Discount, Interest and Exchange..... | 95,542 95 | 172,722 31 | 77,179 36 |
| Premiums on Bonds and Losses on Investments. | 7,553 08 | 18,923 16 | 11,370 08 |
| Total | \$7,319,489 23 | \$7,707,039 30 | \$387,550 07 |
| Balance applicable to Di- vidends..... | \$6,287,318 47 | \$6,600,895 01 | \$363,576 54 |
| Dividends at 7 per cent.. | 4,076,134 13 | 4,260,788 00 | 184,653 87 |
| Surplus over Dividends for the year of the Gen- eral Income Account... | \$2,161,184 34 | \$2,340,107 01 | \$178,922 67 |
| Surplus for the year of the Land and Trust In- come Account..... | 707,598 07 | 1,088,495 60 | 380,897 53 |
| Surplus for the year of Income used for Sink- ing Funds..... | 439,000 00 | 442,000 00 | 3,000 00 |
| | \$3,307,782 41 | \$3,870,602 61 | \$562,820 20 |
| Deficit for the year of U. S. Requirements and U. S. Sinking Fund Operations as compared with annual U. S. In- terest..... | 449,693 52 | | |
| Surplus for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest..... | | 116,440 37 | 566,133 89 |
| Total amount added to Surplus for the year... | \$2,858,088 89 | \$3,987,042 98 | \$1,128,954 09 |

* Includes the items entered in 1881 in the Collateral Trust Income Account. † Decrease.

Land and Trust Income, 1882.

| | |
|--|----------------|
| By net proceeds Union Division Land Grant, as per statement..... | \$910,683 89 |
| By net proceeds Kansas Division Land Grant, as per statement..... | 321,890 86 |
| By net proceeds other lands and lots..... | 10,439 85 |
| By income from Leased Lands..... | 5,000 00 |
| By income from Trust Investments: Bonds, \$74,345 | |
| Stock, 24,411 | 98,756 00 |
| | <hr/> |
| | \$1,346,770 60 |
| Less amount paid by Trustees on account of Interest on Consolidated Bonds..... | 258,275 00 |
| | <hr/> |
| Leaving net surplus for 1882..... | \$1,088,495 60 |
| Balance, credit, as per Report for December 31, 1881... .. | 1,585,725 93 |
| | <hr/> |
| Balance, credit, December 31, 1882, as per General Balance Sheet..... | \$2,674,221 53 |

*Fund Relating to the Union Pacific Railroad
Co. Land Grant Bonds.*

| | |
|---|-----------------|
| Amount of Bonds issued..... | \$10,400,000 00 |
| Cancelled to December 31, 1881..... | \$5,016,000 00 |
| “ in 1882..... | 714,000 00 |
| | <hr/> |
| Total cancelled to December 31, 1882..... | 5,730,000 00 |
| | <hr/> |
| Amount of Bonds outstanding, December 31, 1882..... | \$4,670,000 00 |
| Land and Town Lot Contracts of the Union Division, outstanding December 31, 1882..... | \$3,838,246 52 |
| Cash Balances, Trustee, December 31, 1882..... | 779,154 51 |
| | <hr/> |
| Total amount applicable to payment of Bonds..... | 4,617,401 03 |
| | <hr/> |
| Amount of Bonds remaining to be provided for Dec. 31, 1882..... | \$52,598 97 |

Statement of the Union Pacific R. R. Land Grant for 1882.

| Sales, 1882. | Acres. | Average Price Per Acre for the Year. | Amount. |
|---|--------------|--|----------------|
| January..... | 10,089.80 | | \$45,476 88 |
| February..... | 18,341.90 | | 87,572 92 |
| March..... | 16,708.88 | | 82,487 44 |
| April..... | 12,469.11 | | 64,592 73 |
| May..... | 27,862.08 | | 132,315 36 |
| June..... | 29,564.12 | | 125,497 60 |
| July..... | 24,018.20 | | 98,220 19 |
| August..... | 35,743.33 | | 138,814 65 |
| September..... | 32,035.17 | | 125,668 34 |
| October..... | 31,451.22 | | 132,185 68 |
| November..... | 28,807.34 | | 114,279 79 |
| December..... | 25,072.91 | | 108,252 44 |
| Totals for 1882..... | 292,159.06 | \$4.28 | \$1,250,364 02 |
| 2,406 Purchasers, averaging 121.43 acres to each. | | | |
| Less cancelled in 1882..... | 96,910.74 | | 451,527 65 |
| Net Sales..... | 195,248.32 | | \$798,836 37 |
| Sales of Town Lots..... | | | 43,971 50 |
| Interest on Land and Town Lot Contracts..... | | | 218,526 63 |
| Payments forfeited on Cancelled Contracts..... | | | 56,329 84 |
| Receipts from other sources, Interest, etc..... | | | 38,036 47 |
| Total proceeds | | | \$1,155,694 81 |
| <i>Deduct Expenses:—</i> | | | |
| General Expenses and Taxes, lands and lots | \$105,416 99 | | |
| Discounts, Commissions, etc..... | 51,459 23 | | |
| Premium, Interest, etc., on 714 Union Division Land Grant Bonds redeemed.... | 88,134 70 | | 245,010 92 |
| Net proceeds Union Division Land Grant..... | | | \$910,683 89 |

*Statement of the Kansas Pacific Railway Land Grants
for 1882.*

| Sales, 1882. | Acres. | Average price per acre for the year. | Amount. |
|--|------------|--|--------------|
| January | 8,463.57 | | \$44,838 38 |
| February | 9,703.24 | | 53,094 35 |
| March | 9,720.82 | | 49,946 89 |
| April | 7,736.24 | | 38,304 19 |
| May | 9,492.88 | | 43,217 87 |
| June | 9,117.29 | | 43,781 49 |
| July | 6,968.16 | | 36,153 84 |
| August | 12,721.52 | | 62,478 47 |
| September | 4,993.91 | | 26,442 05 |
| October | 12,417.73 | | 50,447 45 |
| November | 9,324.80 | | 51,266 72 |
| December | 5,254.97 | | 21,960 40 |
| Totals for 1882 | 105,915.13 | \$4 93 | \$521,932 10 |
| 656 Purchasers, averaging 161.4% acres to each. | | | |
| Less, cancelled in 1882 | 42,267.58 | | 156,300 92 |
| Net Sales | 63,647.55 | | \$365,631 18 |
| Sales of Town Lots | | | 4,048 50 |
| Interest on Land and Town Lot Contracts | | | 77,588 37 |
| Payments forfeited on Cancelled Contracts | | | 20,408 32 |
| Receipts from other sources, Interest, &c. | | | 2,247 14 |
| Total proceeds | | | \$469,923 51 |
| <i>Deduct Expenses :—</i> | | | |
| General Expenses and Taxes, lands and lots.... | | \$69,403 58 | |
| Discounts, Commissions, &c. | | 68,129 81 | |
| Premium, Interest, &c., on 20 Cheyenne Branch Bonds and 43 Denver Extension Bonds re- deemed | | 10,499 26 | |
| | | | 148,032 65 |
| Net proceeds Kansas Division Land Grant | | | \$321,890 86 |

*Statement of Sales of Lands and Town Lots to
December 31, 1882.*

UNION PACIFIC R.R. LAND GRANT.

| | | |
|---|---------------------|-----------|
| Net Sales, 1,969,576.48 acres for | \$8,734,579 | 21 |
| Sales of Town Lots | 385,915 | 68 |
| Interest on Land and Town Lot Contracts | 1,302,322 | 11 |
| Forfeited on Cancelled Contracts | 288,267 | 00 |
| Other Receipts, Interest, &c. | 72,920 | 90 |
| | <u>\$10,784,004</u> | <u>90</u> |

Deduct Expenses paid by Trustees :

| | | |
|----------------------------------|----------------|-----------|
| Discounts, Commissions, &c. | \$284,127 | 15 |
| Premiums on Land Grant Bonds Re- | | |
| deemed. | 120,348 | 89 |
| | <u>404,476</u> | <u>04</u> |

Leaves the amount received by the Trustees, includ-
ing contracts on hand.....\$10,379,528 86

Deduct Expenses paid by Company :

General Expenses and Taxes..... 2,071,874 24

Net proceeds Union Pacific R.R. Land Grant to De-
cember 31, 1882..... \$8,307,654 62

KANSAS PACIFIC AND DENVER PACIFIC R'Y LAND GRANTS.

| | | |
|---|--------------------|-----------|
| Net Sales, 1,668,022.35 acres | \$6,136,134 | 51 |
| Sales of Town Lots | 87,540 | 59 |
| Interest on Land and Town Lot Contracts | 708,981 | 68 |
| Forfeited on Cancelled Contracts | 233,112 | 41 |
| Other Receipts, Interest, &c. | 10,326 | 71 |
| | <u>\$7,176,095</u> | <u>90</u> |

Deduct Expenses :

| | | |
|------------------------------------|------------------|-----------|
| General Expenses | \$799,291 | 47 |
| Discount on Sales | 587,087 | 23 |
| Taxes | 107,366 | 03 |
| Interest and Premiums on Bonds Re- | | |
| deemed. | 121,818 | 45 |
| | <u>1,615,563</u> | <u>18</u> |

Net proceeds of Kansas Pacific and Denver Pacific
Land Grants, including contracts on hand..... \$5,560,532 72

Total Net Proceeds of all Lands, to Dec.
31, 1882..... \$13,868,187 34

Estimate of Unsold Lands on hand Dec. 31, 1882.

UNION PACIFIC R. R. LAND GRANT :

| | ACRES. | ACRES. |
|--|-----------|-----------|
| In Nebraska, east of North Platte..... | 1,047,000 | |
| “ “ west “ | 1,775,000 | |
| “ Wyoming, Utah and Colorado..... | 6,307,000 | |
| | <hr/> | 9,129,000 |

KANSAS PACIFIC RAILWAY LAND GRANT :

| | | |
|--|-----------|------------|
| In Kansas, east of 380 Mile Post | 1,701,000 | |
| In Kansas, west of 380 Mile Post, and in Colorado | 3,635,000 | |
| | <hr/> | 5,336,000 |
| Total..... | | 14,465,000 |

*Expenditures for Construction during year 1882.***UNION DIVISION—****SHOPS.**

| | | |
|-------------------------|-------------|--------------|
| Grand Island..... | \$36,965 14 | |
| North Platte..... | 33,539 29 | |
| Evanston..... | 3,888 25 | |
| Omaha, (Car Shops)..... | 36,802 14 | |
| Evanston, "..... | 224 52 | |
| Green River, "..... | 343 72 | |
| | <hr/> | \$111,763 06 |

TOOLS AND MACHINERY.

| | | |
|------------------------|-------------|-----------|
| Grand Island | \$25,860 46 | |
| Omaha..... | 23,076 62 | |
| Laramie..... | 2,815 86 | |
| Rawlins..... | 2,752 80 | |
| Green River..... | 887 00 | |
| Evanston..... | 6,519 37 | |
| North Platte..... | 3,356 88 | |
| Cheyenne..... | 278 00 | |
| | <hr/> | 65,546 99 |

WATER WORKS.

| | | |
|------------------------------|------------|----------|
| Fremont..... | \$1,253 79 | |
| Carbon..... | 2,165 43 | |
| Rawlins..... | 404 85 | |
| Fillmore..... | 634 05 | |
| Table Rock..... | 1,323 40 | |
| Salt Wells..... | 481 78 | |
| Harpers..... | 235 06 | |
| | <hr/> | 6,448 36 |
| Round House at Columbus..... | | 329 60 |

BUILDINGS.

| | | |
|------------------------------------|------------|--------------|
| Ice House at Council Bluffs..... | \$1,485 79 | |
| " " Omaha..... | 207 00 | |
| " " Ogden..... | 114 91 | |
| Charcoal House at Omaha..... | 346 02 | |
| Tenement at Rock Springs..... | 644 58 | |
| Store Room at Evanston..... | 445 45 | |
| Paint Mill at Omaha..... | 475 24 | |
| Paint Mill Machinery at Omaha..... | 620 02 | |
| | <hr/> | |
| Carried forward..... | \$4,339 01 | \$184,088 01 |

| | | |
|--|-------------|--------------|
| Brought forward..... | \$4,839 01 | \$184,088 01 |
| Coal Shutes at Columbus..... | 1,976 05 | |
| “ “ Medicine Bow..... | 4,944 54 | |
| Coal Platform at Grand Island..... | 146 90 | |
| | <hr/> | |
| | \$11,406 50 | |
| Deduct 2 old houses sold at Omaha..... | 500 00 | 10,906 50 |
| Real Estate at Omaha..... | | 30,625 00 |
| | | <hr/> |
| Total, <i>Union Division</i> | | \$225,619 51 |

KANSAS DIVISION—

| | |
|---------------------------------------|-------------|
| Buildings and Yards at Denver..... | \$65,159 66 |
| Lots in Denver..... | 514 20 |
| Tools and Machinery at Denver..... | 1,842 89 |
| Improvements at Bismarck Grove..... | 2,710 20 |
| Ice House at Armstrong..... | 4,040 48 |
| Tools and Machinery at Armstrong..... | 15,863 84 |
| New Lumber Shed at Armstrong..... | 1,403 46 |
| Water Works at Armstrong..... | 2,130 78 |
| Fences, State Line and Armstrong..... | 2,249 42 |
| Lots in Linwood..... | 100 00 |
| Right of Way at Lawrence..... | 373 70 |
| | <hr/> |
| | \$95,893 63 |

CREDIT.

| | | |
|---|--------|-----------|
| By Fences, Old Buildings, etc., on lots at Denver, sold..... | 628 00 | |
| | <hr/> | |
| Total, <i>Kansas Division</i> | | 95,265 63 |

CHEYENNE DIVISION—

| | |
|--|----------------|
| Eaton Depot..... | 3,561 12 |
| | <hr/> |
| Total for 1882..... | \$324,446 26 |
| Expended to December, 31, 1881, as per last Annual Report..... | 1,159,872 81 |
| | <hr/> |
| Amount Expended to December 31, 1882, as per General Balance Sheet..... | \$1,484,318 57 |

*Expenditures for Equipment during year 1882.***LOCOMOTIVES.**

| | | |
|--|-------------|---------------------|
| 6 Taunton Locomotives, @ \$13,750..... | \$82,500 00 | |
| 5 Locomotives, from Cook Locomotive & Machine Co., @ \$15,000..... | 75,000 00 | |
| 1 Locomotive, built at Omaha shops..... | 7,171 90 | |
| Freight and fitting Locomotives..... | 7,601 49 | |
| 1 8-Wheel Locomotive, built at Armstrong | 10,392 57 | |
| | | \$182,665 96 |

CREDIT.

| | | |
|--|-----------|-------------------|
| 1 10-Wheel Locomotive sold Salt Lake & Western Ry. Co..... | 13,750 00 | |
| 1 10-Wheel Locomotive sold Utah Central R. R. Co..... | 13,750 00 | |
| 8 8-Wheel Locomotives sold Oregon Short Line Ry. Co..... | 76,000 00 | |
| 6 10-Wheel Locomotives sold Oregon Short Line Ry. Co..... | 82,500 00 | 186,000 00 |
| Balance, Credit..... | | \$3,334 04 |

CARS.

| | | |
|--|-------------|--|
| 12 Coaches from Pullman Palace Car Co.. | \$75,082 08 | |
| Less paid on same in 1881..... | 50,000 00 | |
| Balance..... | \$25,082 08 | |
| 25 Refrigerator Cars..... | 26,250 00 | |
| Royalty on 25 Refrigerator Cars..... | 625 00 | |
| Cars built by U. P. Ry. Co.'s Car Department as follows: | | |
| 100 20-ton Platform Cars..... | 61,735 23 | |
| 2 20-ton Box Cars..... | 1,431 60 | |
| 25 Way Cars..... | 37,620 75 | |
| 5 Mail Cars..... | 29,433 30 | |
| 1 Baggage Car..... | 3,685 45 | |
| 6 New Coaches, built by Company..... | 27,001 86 | |
| 1 Coal Car, " "..... | 519 59 | |
| 1 Flat " "..... | 504 64 | |
| 2 Box, " "..... | 1,258 40 | |
| 1 Pile Driver, " "..... | 5,080 35 | |

CREDIT.

| | | |
|--|-------------|------------------|
| 30 Flat Cars, @ \$443..... | \$13,290 00 | |
| 1 Portable Tank, sold Salt Lake and Western Ry. Co. | 800 00 | |
| 1 U. P. Box Car, No. 5432, destroyed at Ritchie, Sept. 23, 1882..... | 385 49 | |
| Car Springs..... | 1,100 00 | |
| | | 15,575 49 |

Expended for Cars..... **204,702 76**

Balance for 1882..... **\$201,368 73**

Expended to December 31, 1881, as per last Annual Report..... **1,748,824 26**

Amount Expended to December 31, 1882, as per General Balance Sheet. **\$1,950,192 98**

Statement of Car Equipment, December 31, 1882.

| | No. |
|--------------------------------|--------------|
| Coaches, First-class..... | 63 |
| “ Second-class..... | 21 |
| “ Combination..... | 8 |
| “ Chair..... | 8 |
| “ Emigrant..... | 18 |
| Pullman Sleepers..... | 39 |
| Emigrant Sleepers..... | 53 |
| Mail..... | 13 |
| Mail and Baggage..... | 8 |
| Mail, Baggage and Express..... | 4 |
| Express..... | 20 |
| Baggage..... | 34 |
| Officers' Cars..... | 7 |
| Pay Cars..... | 8 |
| Total Passenger..... | 294 |
| Box..... | 8,871 |
| Coal..... | 1,097 |
| Coal Hoppers..... | 18 |
| “ Dumps..... | 56 |
| Flat..... | 748 |
| Stock..... | 739 |
| Stock, Combination..... | 170 |
| Way and Caboose..... | 197 |
| Outfit, Construction..... | 13 |
| Refrigerator..... | 25 |
| Water Tank Cars..... | 6 |
| Total Freight..... | 6,940 |
| Grand Total..... | 7,234 |

*Statement of Locomotive Equipment, Dec. 31, 1882.***BROAD GAUGE—**

| | NUMBER. |
|-------------------|------------|
| 10-Wheel..... | 109 |
| 8-Wheel..... | 199 |
| 6-Wheel..... | 1 |
| Pony..... | 6 |
| Mogul..... | 6 |
| Consolidated..... | 23 |
| Total..... | 344 |

LARAMIE ROLLING MILL.
Statement of Iron Rails Re-rolled, and Bar-Iron, Nuts, Bolts, Spikes, Splices and Mine-Rails
made during the year ending December 31st, 1882.

| MONTH. | IRON RAILS RE-ROLLED. | | | | BAR IRON | NUTS. | BOLTS. | SPIKES. | SPLICES. | MINE RAILS. | |
|----------------|-----------------------|-------|---------|-------|--------------|-----------|--------|-----------|-----------|-------------|--------|
| | 58 lbs. | | 50 lbs. | | | | | | | | Total. |
| | Tons. | Lbs. | Tons. | Lbs. | | | | | | | |
| January..... | 1,080 | 800 | 1,080 | 800 | 155,935 | | 57,690 | 138,060 | 325,575 | | |
| February..... | 932 | 620 | 932 | 620 | 272,920 | | 57,850 | 112,220 | 51,120 | | |
| March..... | 1,115 | 2,167 | 1,115 | 2,167 | 292,795 | | 57,505 | 101,615 | 113,715 | | |
| April..... | 954 | 1,036 | 954 | 1,036 | 328,335 | | 24,145 | 85,380 | | | |
| May..... | 1,040 | 1,381 | 1,040 | 1,381 | 40,390 | | 42,680 | 93,145 | 232,955 | | |
| June..... | 987 | 1,859 | 987 | 1,859 | 695 | | 62,920 | 70,695 | 286,150 | | |
| July..... | 318 | 1,119 | 219 | 1,473 | 538 352 | | 31,100 | 101,640 | 249,730 | | |
| August..... | 397 | 1,213 | 639 | 1,007 | 1,036 2,220 | 87,880 | 33,196 | 177,405 | 315,095 | | |
| September..... | 789 | 1,911 | 814 | 7 | 1,103 1,918 | 38 | 1,380 | 41,545 | 171,720 | 521,855 | |
| October..... | 808 | 415 | | | 808 415 | 57,140 | 9,195 | 137,650 | 257,000 | | |
| November..... | 1,027 | 236 | | | 1,027 236 | 176,145 | 7,885 | 141,255 | 2,385 | 14,510 | |
| December..... | 1,083 | 1,883 | | | 1,033 1,883 | 99,815 | 2,765 | 138,875 | 46,560 | 261,925 | |
| Total. | 7,407 | 2,093 | 4,801 | 1,594 | 11,709 1,447 | 1,512,088 | 7,945 | 1,469,610 | 2,402,740 | 270,485 | |

Production and Cost of Coal during the Year 1882.

| MINES. | TONS. | PER TON. | COST. |
|--|-----------|----------|----------------|
| Carbon | 200,124 | \$1 41 | \$292,061 28 |
| Rock Springs | 276,589 | 1 39 | 384,387 54 |
| Almy | 116,548 | 1 37 | 159,649 30 |
| Grass Creeks | 63,895 | 1 88½ | 120,479 41 |
| Twin Creeks | 4,689 | 2 01 | 9,430 27 |
| Erie (May 1 to Dec. 31) | 14,953 | 2 84½ | 85,710 54 |
| Northrop (June 1, to Dec. 31) | 5,082 | 2 75½ | 14,043 67 |
| Louisville (May 1, to Dec. 31) | 44,735 | 1 89½ | 84,595 67 |
| Rescreener at Rock Springs | 10,423 | 22 | 2,399 34 |
| “ “ Almy | 663 | 55½ | 367 06 |
| Total for 1882 | 738,210 | 1 49½ | \$1,103,324 08 |
| Total for seven years, 1875 to 1881, inclusive | 2,897,042 | 1 29 | 8,091,942 26 |
| | 3,135,252 | \$1 33½ | \$4,195,260 34 |

*Private Coal Sales during the year ending
December 31, 1882.*

| | TOTAL. | | TOTAL AMOUNT RECEIVED. |
|-----------------------------------|---------|------|------------------------------|
| | TONS. | LBS. | |
| Omaha | 31,437 | 818 | \$215,216 32 |
| Papillion | 610 | 1500 | 4,275 25 |
| Millard | 145 | 400 | 1,016 40 |
| Elkhorn | 139 | 1000 | 976 50 |
| Waterloo | 326 | 1400 | 2,286 90 |
| Valley | 109 | 800 | 765 80 |
| Stations on O. & R. V. R. | 13,740 | 1000 | 101,763 54 |
| Fremont | 5,507 | 200 | 37,811 45 |
| North Bend | 935 | 1400 | 6,378 80 |
| Schuyler | 2,969 | 1200 | 19,495 00 |
| Benton | 95 | | 665 00 |
| Columbus | 2,925 | 300 | 20,265 90 |
| Duncan | 26 | 1400 | 173 70 |
| Stations on O. N. & B. H. R. | 6,449 | 1500 | 47,768 75 |
| Silver Creek | 235 | 1200 | 1,595 45 |
| Clarks | 622 | 1300 | 4,358 55 |
| Central City | 2,747 | 100 | 19,204 05 |
| Chapmans | 626 | 600 | 4,386 90 |
| Grand Island | 4,905 | 200 | 34,278 80 |
| Stations on St. Joe. & W. | 9,102 | 1600 | 63,867 85 |
| Alda | 145 | 800 | 1,017 80 |
| Wood River | 690 | 100 | 4,786 95 |
| Shelton | 746 | 300 | 5,194 45 |
| Gibbon | 910 | 800 | 6,344 40 |
| Buda | 114 | 1600 | 803 60 |
| Kearney | 5,431 | 1500 | 37,430 10 |
| Elm Creek | 267 | 1700 | 1,687 82 |
| Overton | 35 | 400 | 228 85 |
| Plum Creek | 889 | 200 | 5,785 20 |
| Cozad | 173 | 200 | 1,084 05 |
| Willow Island | 14 | | 91 00 |
| Maxwell | 68 | 600 | 448 95 |
| North Platte | 2,815 | 200 | 18,153 00 |
| Ogalalla | 76 | 1200 | 497 90 |
| Denver Junction | 25 | | 200 00 |
| Sidney | 655 | 900 | 4,260 43 |
| Cheyenne | 7,474 | 1800 | 41,005 34 |
| Stations on Colorado Div. | 2,391 | 1400 | 3,835 25 |
| Laramie | 4,337 | | 23,486 67 |
| Wyoming | 52 | 1200 | 289 30 |
| Rock Creek | 154 | 1200 | 850 30 |
| Fort Steele | 77 | 1000 | 426 25 |
| Carried forward | 111,204 | 1018 | \$743,846 52 |

Statement of Coal Sales—(Continued).

| | TOTAL. | | TOTAL AMOUNT RECEIVED. |
|---------------------------------------|---------|------|------------------------------|
| | TONS. | Lbs. | |
| Brought forward..... | 111,204 | 1018 | \$748,846 52 |
| Rawlins..... | 1,480 | 1200 | 7,240 60 |
| Rock Spring..... | 14,097 | | 32,482 48 |
| Green River..... | 489 | 1000 | 1,958 00 |
| Carter..... | 61 | 1500 | 299 27 |
| Piedmont..... | 17 | 1800 | 70 60 |
| Hilliard..... | 41 | 800 | 207 00 |
| Evanston..... | 3,662 | 1000 | 9,135 76 |
| Echo..... | 85 | 1200 | 130 80 |
| Stations on Echo & Park City R'y..... | 10,780 | 1250 | 49,212 48 |
| Weber..... | 567 | 1600 | 2,461 81 |
| Utah..... | 136 | 1700 | 616 04 |
| Ogden..... | 12,872 | 300 | 64,284 68 |
| Stations on U. & N..... | 8,198 | 300 | 16,550 50 |
| Salt Lake..... | 52,188 | 450 | 278,250 20 |
| | 215,829 | 618 | \$1,206,846 17 |
| Coal taken from the following mines: | | | |
| Pleasant Valley..... | 74 | 1800 | |
| Carbon..... | 1,472 | 800 | |
| Rock Springs..... | 146,604 | 1968 | |
| Almy..... | 27,532 | 1100 | |
| Grass Creek..... | 40,144 | 1450 | |
| Total..... | 215,829 | 618 | |
| Sales from the following mines: | | | |
| | TONS | Lbs. | |
| Erie..... | 14,322 | 1600 | |
| Louisville..... | 8,738 | 1400 | |
| Total..... | 23,061 | 760 | \$54,308 97 |

CLASSIFICATION OF MONTHLY EARNINGS FOR YEAR 1882.

| MONTH. | PASSENGER. | FREIGHT. | MAIL. | EXPRESS. | MISCELLANEOUS | TOTAL. |
|-----------------|--------------|----------------|-------------|-------------|---------------|----------------|
| January | \$297,572 24 | \$1,216,353 98 | \$59,986 73 | \$47,705 63 | \$27,351 56 | \$1,648,970 14 |
| February | 306,953 12 | 939,930 01 | 59,986 73 | 30,320 32 | 30,428 53 | 1,367,623 71 |
| March | 477,720 28 | 1,180,059 02 | 59,986 73 | 41,215 86 | 36,011 72 | 1,794,998 61 |
| April | 484,795 75 | 1,142,506 49 | 59,986 73 | 49,052 22 | 38,957 00 | 1,775,298 19 |
| May | 348,198 54 | 1,366,333 51 | 59,986 73 | 54,467 06 | 42,053 54 | 1,871,039 88 |
| June | 534,171 08 | 1,193,698 15 | 59,986 73 | 64,762 51 | 78,951 53 | 1,931,565 00 |
| July | 507,376 31 | 1,020,268 91 | 59,986 73 | 73,741 57 | 37,794 37 | 1,699,167 89 |
| August | 440,442 26 | 1,430,937 76 | 64,151 61 | 79,883 90 | 66,068 94 | 2,081,484 47 |
| September | 553,095 51 | 1,672,570 12 | 78,002 46 | 84,495 59 | 65,017 20 | 2,453,180 88 |
| October | 491,418 23 | 1,630,407 11 | 61,484 81 | 78,077 17 | 47,518 27 | 2,308,905 59 |

CLASSIFICATION OF OPERATING EXPENSES FOR YEAR 1882.

| MONTH. | CONDUCTING TRANSPORTATION. | MOTIVE POWER | MAINTENANCE OF CARS. | MAINTENANCE OF WAY. | RENEWAL OF RAILS. | GENERAL EXPENSES. | TAXES. | TOTAL. |
|------------|-------------------------------|----------------|-------------------------|------------------------|----------------------|----------------------|--------------|-----------------|
| January.. | \$200,376 52 | \$362,769 37 | \$77,606 07 | \$154,048 07 | \$153,963 26 | \$46,301 66 | \$19,794 09 | \$1,014,849 04 |
| February. | 184,377 84 | 301,339 31 | 66,400 98 | 110,134 12 | 222,001 19 | 54,075 78 | 178 02 | 938,507 24 |
| March... | 192,829 29 | 323,132 35 | 69,293 61 | 123,597 98 | 244,411 10 | 42,711 28 | 9,992 04 | 1,005,967 60 |
| April..... | 183,168 37 | 311,828 51 | 69,803 03 | 170,900 78 | 1,016 17 | 40,519 93 | 187,037 61 | 964,274 40 |
| May. | 203,351 37 | 324,364 53 | 107,654 63 | 157,659 28 | * 22,500 25 | 37,181 47 | 942 56 | 808,593 59 |
| June..... | 180,273 04 | 277,324 30 | 92,678 17 | 163,836 84 | 14,824 12 | 37,936 98 | 1,391 95 | 768,264 80 |
| July..... | 197,229 32 | 262,478 24 | 75,377 86 | 198,110 09 | * 4,595 00 | 37,386 64 | 3,521 39 | 769,508 54 |
| August.. | 195,500 31 | 290,172 43 | 38,350 02 | 196,955 04 | * 61,239 05 | 33,079 78 | 5,160 88 | 747,979 40 |
| Septemb'r | 213,361 31 | 307,037 12 | 70,439 12 | 203,186 51 | * 8,014 93 | 35,046 41 | 1,551 12 | 833,106 66 |
| October.. | 207,183 92 | 349,862 37 | 78,870 38 | 213,129 78 | * 1,869 76 | 38,672 96 | 89,705 92 | 975,555 57 |
| Novemb'r | 217,718 42 | 334,850 06 | 79,786 65 | 260,228 24 | 82,721 56 | 33,870 84 | 110,923 14 | 1,120,098 91 |
| December | 216,629 01 | 330,739 89 | 81,682 92 | 130,705 80 | * 64,515 75 | 37,513 84 | 57,587 82 | 790,343 53 |
| Total... | \$2,392,498 72 | \$3,775,888 47 | \$957,943 44 | \$2,082,492 48 | \$556,142 66 | \$474,296 97 | \$487,786 54 | \$10,727,049 28 |

* Credit in excess of amount expended.

*Comparative Statement of Operating Expenses for
Years 1881, 1882.*

| | 1881. | 1882. |
|---|------------------------|------------------------|
| CONDUCTING TRANSPORTATION— | | |
| Superintendence, Dispatchers and Clerks | \$74,338 24 | \$76,700 17 |
| Station Service..... | 735,175 15 | 761,057 08 |
| Station Expenses..... | 91,590 16 | 98,771 70 |
| Station Repairs and Furniture..... | 120,290 91 | 72,831 69 |
| Repairs of Tenement Houses and Hotels. | 46,170 92 | 10,099 51 |
| Train Service..... | 605,527 93 | 581,900 58 |
| Train Expenses..... | 249,688 99 | 242,424 00 |
| Advertising..... | 99,353 83 | 92,902 81 |
| Books, Printing and Stationery..... | 104,405 21 | 85,490 27 |
| Telegraphic Expenses..... | 9,899 68 | 6,160 88 |
| Loss and Damage..... | 115,619 27 | 123,295 15 |
| Foreign Agencies..... | 26,543 82 | 20,510 03 |
| Use of Cars..... | 181,246 50 | 176,809 19 |
| Incidentals..... | 23,786 95 | 43,995 71 |
| Total..... | \$2,452,587 56 | \$2,392,498 72 |
| MOTIVE POWER— | | |
| Superintendence and Clerks..... | \$23,294 14 | \$17,531 49 |
| Locomotive Service..... | 829,845 36 | 796,084 67 |
| Fuel and Water—Expenses and Repairs. | 291,722 13 | 237,559 16 |
| Fuel for Locomotives..... | 1,753,909 93 | 1,623,141 71 |
| Oil, Tallow and Waste..... | 43,860 08 | 46,239 45 |
| Repairs of Locomotives..... | 883,462 40 | 798,539 97 |
| Repairs of Shops and Machinery..... | 193,805 87 | 197,591 42 |
| Fuel for Engine Houses and Mach. Shops | 49,264 48 | 52,021 80 |
| Incidentals..... | 3,878 80 | 7,178 80 |
| Total..... | \$4,073,043 19 | \$3,775,888 47 |
| MAINTENANCE OF CARS— | | |
| Superintendence and Clerks..... | \$9,230 00 | \$3,915 87 |
| Repairing Cars..... | 1,035,332 73 | 869,215 81 |
| Repairs Car Shops and Sheds..... | 49,354 39 | 47,268 99 |
| Watchmen and Incidentals..... | 18,945 38 | 32,542 77 |
| Total..... | \$1,112,862 52 | \$957,943 44 |
| MAINTENANCE OF WAY— | | |
| Superintendence and Supervision..... | \$39,739 40 | \$42,344 08 |
| Repairs of Track..... | 1,211,022 40 | 994,205 32 |
| Expenses of Removing Snow, Ice, etc... | 102,406 51 | 28,399 95 |
| Renewal of Rails..... | 1,700,425 96 | 556,142 66 |
| Renewal of Ties..... | 450,932 57 | 490,352 05 |
| Repairs of Bridges, etc..... | 260,297 22 | 401,484 26 |
| Repairs of Fences, Crossings and Guards | 28,186 42 | 51,395 67 |
| Repairs of Telegraph..... | 24,291 97 | 20,585 18 |
| Engineering..... | 34,510 05 | 37,666 75 |
| Protection of River Banks..... | 17,225 44 | 2,495 60 |
| Wrecking..... | 4,303 94 | 1,348 09 |
| Incidentals..... | 6,155 44 | 12,270 58 |
| Total..... | \$3,870,497 32 | \$2,638,635 14 |
| GENERAL EXPENSES. | | |
| Taxes..... | \$394,011 49 | \$487,786 54 |
| General Expenses..... | 538,340 63 | 474,296 97 |
| Total..... | \$932,352 12 | \$962,083 51 |
| Grand Total..... | \$12,480,342 71 | \$10,727,049 28 |

Statement Showing Renewals of Track During Year 1882.

| | Steel Rails. | Iron. | CROSS TIES. | | | |
|-------------------------------------|---------------|--------------|----------------|---------------|----------------|----------------|
| | No. Tons. | No. Tons. | Oak. | Cedar. | Pine. | Total. |
| Council Bluffs to Grand Island..... | 303 | | 30,443 | 12,084 | 10 | 42,537 |
| Grand Island to North Platte..... | 3,161 | | 87,887 | 2,324 | 10 | 90,231 |
| North Platte to Antelope..... | 2,757 | | | 23,500 | 23,810 | 46,310 |
| Antelope to Laramie..... | | | | 26,333 | 24,265 | 50,598 |
| Laramie to Rawlins..... | 3,402 | | | | 48,104 | 48,104 |
| Rawlins to Green River..... | 39 | | | | 30,169 | 30,169 |
| Green River to Ogden..... | 1,055 | 675 | 40,950 | | 67,771 | 67,771 |
| Kansas City to Brookville..... | 3,408 | | 98,080 | | 40,950 | 40,950 |
| Brookville to Wallace..... | 2,758 | 493 | 128,453 | | 98,680 | 98,680 |
| Wallace to Denver..... | 1 | 709 | 44,431 | | 128,453 | 128,453 |
| Denver to Cheyenne..... | | 153 | 7,137 | | 44,431 | 44,431 |
| Leavenworth to South Lawrence... | | | | | 7,137 | 7,137 |
| Total..... | 16,884 | 2,029 | 437,981 | 64,241 | 202,139 | 704,361 |

NOTE.—Steel weighs 60 lbs. per yard.

Comparative Statement of Passenger Earnings for years 1881 and 1882.

| MONTH. | 1881. | 1882. | INCREASE. | DECREASE. |
|----------------|----------------|----------------|-------------|-------------|
| January..... | \$308,260 27 | \$397,573 24 | | \$10,688 03 |
| February..... | 247,812 30 | 306,958 12 | \$59,645 82 | |
| March..... | 357,894 74 | 477,720 28 | 119,855 54 | |
| April..... | 439,211 88 | 484,795 75 | 55,583 92 | |
| May..... | 539,849 79 | 348,198 54 | | 191,651 25 |
| June..... | 502,901 70 | 534,171 08 | 31,209 38 | |
| July..... | 479,088 70 | 507,376 31 | 28,337 61 | |
| August..... | 453,973 20 | 440,442 26 | | 13,530 94 |
| September..... | 624,416 36 | 553,095 51 | | 71,320 85 |
| October..... | 358,584 69 | 491,418 23 | 132,833 54 | |
| November..... | 535,275 54 | 404,296 22 | | 130,979 32 |
| December..... | 294,822 27 | 351,685 47 | 56,863 20 | |
| Total..... | \$5,131,571 39 | \$5,197,730 01 | \$66,158 62 | |

Commercial business increased..... \$131,632 45
 Government " decreased 65,473 83

Total business increased..... \$66,158 62

Statement of Through and Way Passenger Earnings for the Year 1882.

| MONTH. | TOTAL EARNINGS. | THROUGH EARNINGS. | | WAY EARNINGS. | |
|-----------------|-----------------|-------------------|----------------|----------------|----------------|
| | | EAST. | WEST. | EAST. | WEST. |
| January | \$297,572 24 | \$61,714 54 | \$95,360 96 | \$60,812 96 | \$80,183 78 |
| February | 306,958 13 | 58,967 52 | 106,845 04 | 52,024 07 | 89,121 49 |
| March | 477,760 23 | 80,011 50 | 178,307 59 | 74,200 11 | 145,241 08 |
| April | 484,795 75 | 110,573 43 | 169,872 27 | 69,318 15 | 135,031 90 |
| May | 348,198 54 | 62,913 09 | 102,408 76 | 77,967 54 | 104,909 15 |
| June | 534,171 08 | 146,308 53 | 177,882 99 | 91,619 14 | 118,412 43 |
| July | 507,876 31 | 107,793 65 | 192,985 54 | 93,410 49 | 113,786 63 |
| August | 440,442 26 | 123,970 41 | 105,829 82 | 109,048 72 | 102,593 81 |
| September | 553,095 51 | 143,409 55 | 135,134 93 | 140,821 85 | 133,729 68 |
| October | 491,418 23 | 130,334 04 | 137,965 11 | 120,094 04 | 103,025 04 |
| November | 404,296 23 | 84,337 01 | 127,423 78 | 93,488 01 | 98,547 42 |
| December | 351,685 47 | 88,687 03 | 108,550 95 | 81,705 39 | 72,742 10 |
| TOTAL..... | \$5,197,769 96 | \$1,198,518 30 | \$1,638,517 74 | \$1,064,009 97 | \$1,296,723 95 |
| " 1881..... | 5,131,571 89 | 1,237,990 19 | 1,965,799 24 | 892,326 96 | 1,035,455 00 |
| INCREASE..... | \$66,198 57 | \$89,471 89 | \$827,281 50 | \$171,683 01 | \$261,268 95 |
| DECREASE..... | | | | | |

Comparative Statement of Passenger Earnings for years 1881 and 1882.

| MONTH. | 1881. | 1882. | INCREASE. | DECREASE. |
|----------------|----------------|----------------|-------------|-------------|
| January..... | \$308,200 27 | \$397,572 24 | \$59,645 82 | \$10,088 03 |
| February..... | 247,312 30 | 306,958 12 | 119,853 54 | |
| March..... | 357,804 74 | 477,720 28 | 55,583 92 | 191,651 25 |
| April..... | 429,211 83 | 484,795 75 | 31,209 88 | |
| May..... | 530,849 79 | 348,198 54 | 28,337 61 | 13,530 94 |
| June..... | 502,901 70 | 534,171 08 | 132,833 54 | 71,320 85 |
| July..... | 479,038 70 | 507,376 31 | 56,863 20 | 130,979 82 |
| August..... | 453,973 20 | 440,442 29 | | |
| September..... | 624,416 36 | 553,095 51 | | |
| October..... | 358,584 69 | 491,418 23 | | |
| November..... | 535,275 54 | 404,290 23 | | |
| December..... | 294,822 27 | 351,685 47 | | |
| ..... | \$5,131,571 39 | \$5,197,720 01 | \$66,158 62 | |

Business increased.....\$131,632 45

gh and Way Passenger Earnings for the Year 1882.

| EARNINGS. | THROUGH EARNINGS. | | WAY EARNINGS. | |
|---------------|-------------------|----------------|----------------|----------------|
| | EAST. | WEST. | EAST. | WEST. |
| ..... | \$297,572 24 | \$85,360 96 | \$60,812 96 | \$80,183 78 |
| ..... | 306,958 13 | 58,997 52 | 52,024 07 | 89,121 49 |
| ..... | 477,760 23 | 80,011 50 | 74,200 11 | 145,241 03 |
| ..... | 484,795 75 | 110,573 43 | 69,318 15 | 135,631 90 |
| ..... | 348,198 54 | 62,913 09 | 77,997 54 | 104,909 15 |
| ..... | 534,171 08 | 146,306 53 | 91,619 14 | 118,412 42 |
| ..... | 507,376 31 | 107,793 65 | 93,410 49 | 113,180 63 |
| ..... | 440,442 26 | 123,970 41 | 109,048 73 | 102,603 31 |
| ..... | 538,095 51 | 143,409 55 | 140,821 35 | 133,739 08 |
| ..... | 491,418 23 | 130,334 04 | 120,094 04 | 103,025 04 |
| ..... | 404,296 22 | 84,837 01 | 93,488 01 | 98,547 42 |
| ..... | 351,685 47 | 88,687 03 | 81,705 39 | 72,742 10 |
| TOTAL..... | \$5,197,769 96 | \$1,638,517 74 | \$1,064,009 97 | \$1,296,723 95 |
| " 1881..... | 5,131,571 39 | 1,965,799 24 | 892,326 96 | 1,035,455 00 |
| INCREASE..... | \$66,198 57 | \$327,281 50 | \$171,083 01 | \$261,268 95 |
| DECREASE..... | | | | |

Comparative Statement of Freight Earnings for years 1881 and 1882.

| MONTH. | 1881. | 1882. | INCREASE. | DECREASE. |
|----------------|-----------------|-----------------|--------------|----------------|
| January..... | \$970,277 23 | \$1,216,353 98 | \$246,076 75 | |
| February..... | 926,819 57 | 969,880 01 | 13,110 44 | |
| March..... | 1,056,771 00 | 1,180,059 02 | 123,288 02 | |
| April..... | 1,197,036 96 | 1,142,506 49 | | \$54,530 47 |
| May..... | 1,548,429 40 | 1,366,333 51 | | 177,095 89 |
| June..... | 1,635,513 72 | 1,193,693 15 | | 441,820 57 |
| July..... | 1,637,599 11 | 1,020,268 91 | | 617,330 20 |
| August..... | 1,671,482 10 | 1,430,937 76 | | 240,544 34 |
| September..... | 1,781,621 15 | 1,672,570 12 | | 109,051 03 |
| October..... | 1,991,276 37 | 1,630,407 11 | | 360,869 26 |
| November..... | 1,462,057 99 | 1,438,293 52 | | 23,764 47 |
| December..... | 1,189,242 60 | 1,170,813 79 | | 18,428 81 |
| Total..... | \$17,068,127 20 | \$15,402,167 37 | | \$1,666,959 83 |

| | |
|------------------------------------|-----------------------|
| Commercial Business decreased..... | \$1,531,673 72 |
| Government " | 122,865 07 |
| Company " | 6,921 04 |
| Total..... | <u>\$1,660,959 83</u> |

Comparative Statement of Freight Earnings, subdivided as below, excluding Company Freight Earnings, for the years 1882 and 1881.

| 1882. | LOCAL. | | THROUGH. | | PACIFIC COAST. | | COAL. | | TOTAL. |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|-----------------|
| | East. | West. | East. | West. | East. | West. | East. | West. | |
| January... | \$160,744 70 | \$291,228 07 | \$62,512 96 | \$226,320 90 | \$47,990 85 | \$228,468 28 | \$35,631 72 | \$19,128 98 | \$1,072,026 46 |
| February... | 77,050 74 | 290,696 11 | 50,324 06 | 184,082 47 | 15,759 90 | 127,990 93 | 42,351 40 | 19,452 81 | 808,407 93 |
| March..... | 101,116 61 | 383,243 60 | 64,168 01 | 280,069 46 | 28,873 44 | 151,631 84 | 38,732 76 | 14,796 40 | 1,062,113 12 |
| April..... | 89,620 21 | 304,148 59 | 86,583 48 | 323,330 97 | 36,991 16 | 155,503 11 | 32,200 81 | 7,573 83 | 1,035,952 16 |
| May..... | 77,981 46 | 345,738 89 | 91,061 67 | 328,453 57 | 118,759 28 | 227,668 70 | 31,500 28 | 8,228 50 | 1,229,432 35 |
| June..... | 101,045 24 | 282,942 49 | 105,032 53 | 229,479 90 | 110,488 23 | 203,437 21 | 20,121 00 | 6,003 70 | 1,058,540 88 |
| July..... | 157,596 99 | 278,794 41 | 58,262 55 | 181,553 89 | 62,637 83 | 155,210 77 | 34,324 57 | 4,913 28 | 988,293 79 |
| August.... | 365,557 85 | 398,422 70 | 128,332 48 | 234,230 86 | 80,568 01 | 153,806 98 | 47,816 86 | 7,921 60 | 1,311,657 29 |
| September.. | 388,673 00 | 402,238 64 | 114,390 05 | 263,791 26 | 145,145 33 | 165,567 38 | 40,141 97 | 5,706 37 | 1,525,654 00 |
| October..... | 439,591 04 | 463,535 28 | 103,468 94 | 239,743 25 | 74,180 92 | 107,163 52 | 63,428 69 | 4,959 70 | 1,486,071 84 |
| November... | 287,857 91 | 371,170 46 | 92,602 77 | 286,098 74 | 72,892 85 | 156,145 94 | 58,013 45 | 15,248 88 | 1,840,080 95 |
| December.. | 239,438 60 | 394,768 73 | 80,739 57 | 118,013 50 | 49,254 37 | 70,856 85 | 62,596 87 | 6,641 88 | 1,042,309 87 |
| Total, 1882. | \$2,396,274 35 | \$4,201,946 97 | \$1,037,399 02 | \$2,895,768 77 | \$843,041 72 | \$1,903,431 54 | \$507,050 38 | \$120,576 88 | \$18,905,439 63 |
| Total, 1881. | 2,300,554 54 | 4,606,264 07 | 924,426 88 | 8,440,395 43 | 1,431,524 95 | 2,272,131 84 | 440,974 74 | 143,256 47 | 15,559,528 43 |
| Increase.... | . \$95,719 81 | \$404,317 10 | \$112,972 64 | \$544,626 66 | \$588,483 23 | \$368,700 30 | \$66,075 64 | \$22,079 59 | \$1,654,088 79 |
| Decrease.... | | | | | | | | | |

Comparative Statement showing the rate per ton per mile of Freight carried during the years 1882 and 1881.

| | 1882. | | 1881. | | INCREASE. | | DECREASE. | |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. |
| LOCAL— | | | | | | | | |
| Eastbound.... | \$1 52 | \$2 07 | \$1 62 | \$2 15 | | | .10 | .08 |
| Westbound.... | 3 10 | 3 14 | 3 17 | 3 21 | | | .07 | .07 |
| Average..... | 3 19 | 2 64 | 2 35 | 2 76 | | | .16 | .13 |
| THROUGH— | | | | | | | | |
| Eastbound..... | | 1 69 | 1 80 | 1 80 | | | | .11 |
| Westbound.... | | 2 68 | 2 83 | 2 83 | | | | .15 |
| Average..... | | 2 33 | 2 53 | 2 53 | | | | .20 |
| PACIFIC COAST— | | | | | | | | |
| Eastbound.... | | 1 30 | 1 28 | 1 28 | | .03 | | .13 |
| Westbound.... | | 1 12 | 1 25 | 1 25 | | | | .09 |
| Average..... | | 1 17 | 1 26 | 1 26 | | | | |
| TOTAL— | | | | | | | | |
| Eastbound..... | 1 51 | 1 77 | 1 54 | 1 73 | | .04 | .03 | .17 |
| Westbound.... | 2 19 | 2 14 | 2 31 | 2 31 | | | .12 | .06 |
| Average..... | 1 89 | 2 03 | 1 93 | 2 09 | | | .09 | |

Statement of Through and Way Passenger Statistics for the Year 1882.

| MONTH. | THROUGH PASSENGERS. | | | | WAY PASSENGERS. | | | | TOTAL PASSENGERS. | TOTAL ONE MILE. |
|-----------------|---------------------|------------|--------|------------|-----------------|------------|---------|------------|-------------------|-----------------|
| | EAST. | ONE MILE. | WEST. | ONE MILE. | EAST. | ONE MILE. | WEST. | ONE MILE. | | |
| January | 2753½ | 1,801,141 | 4460½ | 3,237,275 | 18072½ | 1,498,989 | 30603½ | 2,805,427 | 55,890 | 8,832,882 |
| February | 2980 | 1,718,502 | 4661 | 3,353,696 | 22219 | 1,335,899 | 26750½ | 2,281,101 | 56,610½ | 8,889,198 |
| March | 4171½ | 2,237,189 | 8078½ | 5,792,589 | 28561½ | 1,901,452 | 36433 | 4,168,466 | 77,244½ | 14,099,696 |
| April | 5506 | 3,224,840 | 8128 | 6,064,249 | 28669½ | 1,962,662 | 33883½ | 3,428,068 | 76,137 | 14,679,819 |
| May | 4244 | 1,889,191 | 5370 | 3,191,722 | 30440½ | 1,858,057 | 31180½ | 2,776,895 | 71,235 | 9,715,865 |
| June | 7255½ | 4,274,152 | 8549½ | 5,880,945 | 29943½ | 2,323,684 | 34385 | 3,513,202 | 80,133½ | 15,991,983 |
| July | 6031½ | 3,857,934 | 9097 | 5,897,383 | 33969 | 2,557,388 | 37301½ | 3,070,568 | 86,399 | 15,883,273 |
| August | 5988½ | 3,831,043 | 8471 | 4,776,890 | 37318 | 3,038,208 | 39167 | 2,954,252 | 90,939½ | 14,600,393 |
| September | 9174 | 4,670,367 | 9526 | 4,576,525 | 65577 | 4,328,881 | 67579 | 4,304,551 | 151,856 | 17,880,324 |
| October | 4698½ | 2,558,072 | 6560½ | 4,490,697 | 38581 | 3,117,080 | 39847½ | 2,969,079 | 89,687½ | 13,124,928 |
| November | 5072½ | 3,659,445 | 6817 | 5,191,201 | 30927 | 2,525,358 | 32205 | 2,592,717 | 75,021½ | 13,968,721 |
| December | 4006 | 2,830,463 | 4577½ | 3,653,659 | 31313 | 2,118,614 | 30369 | 1,962,568 | 70,265½ | 10,560,304 |
| TOTAL | 61876½ | 36,552,339 | 84296½ | 56,106,831 | 395591½ | 28,551,272 | 439655 | 86,316,894 | 981,419½ | 157,527,886 |
| " 1881 | 59475 | 40,578,989 | 89620½ | 61,148,233 | 309331½ | 24,084,108 | 348713½ | 27,158,675 | 807,140½ | 152,970,005 |
| INCREASE | 2401½ | 4,026,650 | 5824 | 5,041,402 | 86260 | 4,467,164 | 90941½ | 9,158,219 | 174,279 | 4,557,881 |
| DECREASE | | | | | | | | | | |

*Comparative Statement of the Number of Tons of Freight carried One Mile, during the Years
1882 and 1881.*

| 1882. | LOCAL. | | THROUGH. | | PACIFIC COAST. | | TOTAL. |
|--------------------|-------------|-------------|------------|-------------|----------------|-------------|-------------|
| | East. | West. | East. | West. | East. | West. | |
| January..... | 6,831,498 | 9,185,421 | 3,978,975 | 10,301,962 | 3,126,778 | 13,078,401 | 46,508,025 |
| February..... | 3,677,945 | 10,285,237 | 4,097,314 | 10,259,135 | 1,696,650 | 12,439,436 | 42,455,717 |
| March..... | 3,836,813 | 12,866,992 | 4,018,711 | 10,674,893 | 2,088,207 | 15,006,070 | 48,476,886 |
| April..... | 3,381,321 | 10,727,167 | 4,242,406 | 9,497,933 | 3,453,945 | 13,211,839 | 44,514,511 |
| May..... | 2,635,006 | 11,047,581 | 5,782,245 | 14,271,381 | 6,974,783 | 17,068,370 | 57,779,366 |
| June..... | 3,115,938 | 7,998,576 | 5,790,469 | 7,358,094 | 6,698,843 | 13,047,691 | 44,009,611 |
| July..... | 7,188,978 | 7,692,982 | 3,720,463 | 5,072,949 | 3,795,311 | 10,329,261 | 37,789,944 |
| August..... | 13,592,396 | 12,004,914 | 6,814,746 | 7,442,530 | 9,012,208 | 16,140,251 | 65,007,045 |
| September..... | 21,107,656 | 10,954,562 | 6,193,257 | 8,508,366 | 10,151,223 | 13,789,183 | 70,704,247 |
| October..... | 23,094,253 | 14,442,389 | 6,100,013 | 9,017,024 | 7,845,175 | 14,984,149 | 75,488,003 |
| November..... | 14,419,834 | 13,508,766 | 5,654,922 | 9,781,450 | 6,569,462 | 16,091,237 | 66,025,671 |
| December..... | 12,627,018 | 13,425,924 | 4,706,131 | 5,815,406 | 3,524,149 | 13,631,028 | 53,729,656 |
| Total..... | 115,508,646 | 134,130,511 | 61,099,652 | 108,001,128 | 64,931,634 | 168,816,916 | 652,488,482 |
| Add Coal Sold..... | 75,059,043 | 5,243,529 | | | | | 80,302,572 |
| Total, 1882..... | 190,567,689 | 139,374,040 | 61,099,652 | 108,001,128 | 64,931,634 | 168,816,916 | 732,791,054 |
| Total, 1881..... | 168,595,393 | 149,518,098 | 51,266,947 | 121,267,833 | 111,293,219 | 181,369,694 | 738,831,084 |
| Increase..... | 21,972,296 | 10,144,058 | 9,832,805 | 13,266,710 | 46,361,585 | 12,572,778 | 50,540,080 |
| Decrease..... | | | | | | | |

*Comparative Statement of Classified Freight, in
pounds, forwarded during the years 1882
and 1881.*

| ARTICLES. | 1882. | 1881. |
|--------------------------------|-------------|-------------|
| | POUNDS. | POUNDS. |
| MINERAL PRODUCTS— | | |
| Coal..... | 699,920,950 | 681,712,990 |
| Stone and Brick..... | 41,523,240 | 25,204,105 |
| Cement, Plaster and Lime..... | 26,989,245 | 27,013,360 |
| Salt..... | 32,978,135 | 34,297,710 |
| Metallic Ores..... | 42,303,450 | 24,601,850 |
| Other and Coke..... | 183,340,675 | 87,863,135 |
| AGRICULTURAL PRODUCTS— | | |
| Wheat..... | 404,266,475 | 315,341,920 |
| Corn..... | 337,621,010 | 230,012,055 |
| Oats and Barley..... | 76,957,470 | 139,658,690 |
| Rye, Flax Seed, &c..... | 18,421,350 | 14,267,380 |
| Hay..... | 66,749,000 | 81,629,375 |
| Potatoes and Vegetables..... | 55,803,705 | 95,854,995 |
| GROCERIES— | | |
| Canned Goods..... | 48,755,665 | 81,784,575 |
| Soap and Candles..... | 12,948,705 | 15,432,660 |
| Sugar, Syrup, &c..... | 51,176,450 | 54,108,475 |
| Tea..... | 23,350,980 | 21,851,750 |
| Coffee..... | 7,878,530 | 12,848,055 |
| Other..... | 58,848,165 | 75,970,285 |
| HARDWARE AND METALS— | | |
| Hardware..... | 54,421,790 | 42,863,470 |
| Nails..... | 19,194,915 | 26,038,730 |
| Stoves..... | 17,568,225 | 15,135,090 |
| Steel Rails..... | 23,320,045 | 76,843,370 |
| Bar Iron, &c..... | 12,044,815 | 13,208,285 |
| Other Iron..... | 57,110,570 | 77,689,665 |
| Steel, Copper, &c..... | 5,487,485 | 6,041,625 |
| Tin and Quicksilver..... | 4,575,460 | 6,609,290 |
| Lead..... | 27,043,580 | 21,805,910 |
| Bullion..... | 115,769,410 | 117,267,440 |
| Matte and Tailings..... | 18,464,380 | 8,338,239 |
| LEATHER AND RUBBER— | | |
| Boots and Shoes..... | 9,812,345 | 10,291,860 |
| Leather and Leather Goods..... | 6,022,520 | 6,613,195 |
| Rubber Goods..... | 3,302,585 | 3,204,095 |
| HIDES, WOOL, &c.— | | |
| Hides, Pelts, &c..... | 11,558,295 | 14,185,945 |
| Furs..... | 657,655 | 3,698,995 |
| Wool..... | 31,253,000 | 48,132,755 |
| LIVE STOCK— | | |
| Cattle..... | 231,712,295 | 250,237,025 |
| Hogs..... | 73,287,320 | 86,397,106 |
| Horses and Mules..... | 17,029,495 | 18,171,300 |
| Sheep..... | 20,244,380 | 16,902,015 |

| | 1882. POUNDS. | 1881. POUNDS. |
|---------------------------------------|------------------|------------------|
| LIQUORS— | | |
| Whiskey, Spirits, &c..... | 19,115,150 | 24,206,650 |
| Wine and Brandy..... | 8,969,300 | 24,584,725 |
| Beer, Ale and Porter..... | 19,686,140 | 21,924,650 |
| MILITARY AND NAVAL STORES— | | |
| Powder, Cartridges, &c..... | 3,605,525 | 4,807,155 |
| Tar and Pitch..... | 2,419,225 | 1,402,010 |
| Rope and Cordage..... | 5,504,855 | 4,532,345 |
| PROVISIONS— | | |
| Hog Products..... | 34,771,140 | 47,901,035 |
| Beef..... | 952,545 | 1,296,710 |
| Fish and Game..... | 12,616,250 | 11,306,610 |
| Poultry..... | 242,010 | 594,620 |
| Butter, Eggs and Cheese..... | 9,660,400 | 12,201,990 |
| WOOD AND MANUFACTURES OF WOOD— | | |
| Agricultural Implements..... | 40,073,510 | 37,532,575 |
| Vehicles..... | 42,195,210 | 37,526,550 |
| Lumber, Timber, &c..... | 446,878,620 | 362,052,750 |
| Shingles, Lath and Staves..... | 13,639,695 | 13,635,760 |
| Wood..... | 14,173,340 | 13,871,550 |
| Charcoal..... | 3,346,200 | 3,182,515 |
| Manufactured Wood..... | 13,502,915 | 16,424,390 |
| Wood in Shape..... | 6,895,855 | 9,546,610 |
| Barrels and Casks..... | 5,564,605 | 5,436,920 |
| MISCELLANEOUS— | | |
| Drugs and Borax..... | 15,918,290 | 17,573,525 |
| Oil..... | 70,450,260 | 79,805,610 |
| Paint and Varnish..... | 6,932,760 | 5,907,695 |
| Window Glass..... | 4,335,300 | 3,986,550 |
| Glassware and Crockery..... | 21,751,105 | 19,405,830 |
| Dry Goods..... | 70,005,725 | 79,416,760 |
| Silk..... | 2,638,140 | 2,800,215 |
| Fancy Goods..... | 4,191,030 | 4,512,420 |
| Hats and Millinery Goods..... | 2,601,645 | 2,565,430 |
| Green Fruit..... | 31,291,305 | 33,011,820 |
| Dried Fruit and Nuts..... | 11,724,585 | 15,424,090 |
| Flour..... | 69,361,625 | 51,821,885 |
| Meal, Feed, &c..... | 24,248,150 | 31,009,445 |
| Furniture and H. H. Goods..... | 51,118,815 | 51,080,870 |
| Emigrant moveables..... | 17,409,290 | 12,317,115 |
| Machinery..... | 36,632,955 | 37,238,420 |
| R. R. Material..... | 9,382,680 | 30,413,185 |
| R. R. Vehicles..... | 13,038,965 | 17,552,290 |
| Musical Instruments..... | 4,169,890 | 3,587,950 |
| Paper..... | 24,366,635 | 19,438,910 |
| Books and Stationery..... | 5,150,405 | 5,959,035 |
| Tobacco..... | 15,468,765 | 19,978,220 |
| Cigars and Pipes..... | 2,396,470 | 2,877,350 |
| Trees, Shrubbery, &c..... | 3,241,565 | 5,107,300 |
| Bones..... | 2,644,850 | 1,482,460 |
| Merchandise..... | 41,432,700 | 15,448,085 |
| Miscellaneous..... | 37,840,905 | 17,240,705 |
| Total..... | 4,203,271,065 | 4,130,060,643 |
| Increase..... | 73,210,420 | |

Edw. J. Macomber

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REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC RAILWAY
COMPANY
FOR THE YEAR 1883.







REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC
RAILWAY COMPANY

FOR THE YEAR 1883.



NEW YORK :
RUFUS ADAMS & CO., STATIONERS AND PRINTERS, 167 BROADWAY.

1884.

DIRECTORS

OF THE

UNION PACIFIC RAILWAY COMPANY.

| | |
|---------------------------------|---------------------------------|
| SIDNEY DILLON.....New York. | DAVID DOWS.....New York. |
| F. L. AMES.....Boston. | JAY GOULD.....New York. |
| ELISHA ATKINS.....Boston. | RUSSELL SAGE.....New York. |
| EZRA H. BAKER.....Boston. | ANDREW H. GREEN...New York. |
| F. G. DEXTER.....Boston. | S. H. H. CLARK.....Omaha. |
| CHAS. FRANCIS ADAMS, Jr. Boston | JOHN SHARP.....Salt Lake. |
| JAMES A. RUMRILL...Springfield. | G. M. DODGE.....Council Bluffs. |
| HUGH RIDDLE.....Chicago. | |

GOVERNMENT DIRECTORS.

| | |
|-----------------------|----------------|
| ISAAC H. BROMLEY..... | New Haven, Ct. |
| GEORGE G. HAVEN..... | New York City. |
| WATSON PARRISH..... | Oakland, Neb. |
| ARTHUR L. CONGER..... | Akron, Ohio. |
| COLGATE HOYT..... | New York City. |

GENERAL OFFICERS.

| | |
|----------------------|--|
| SIDNEY DILLON..... | <i>President</i> , New York. |
| ELISHA ATKINS..... | <i>Vice President</i> , Boston. |
| SYDNEY BARTLETT..... | <i>General Counsel</i> , Boston. |
| JOHN F. DILLON..... | <i>General Solicitor</i> , New York. |
| HENRY McFARLAND..... | <i>Secretary and Treasurer</i> , Boston. |
| O. W. MINK..... | <i>Assistant Secretary and Assistant Treasurer</i> , Boston. |
| JAMES M. HAM..... | <i>Assistant Secretary and Assistant Treasurer</i> , New York. |
| H. B. WILBUR..... | <i>Auditor</i> , Boston. |
| JAMES G. HARRIS..... | <i>Transfer Agent</i> , Boston. |
| H. J. WORCESTER..... | <i>Transfer Agent</i> , New York. |

OFFICERS ON THE LINE.

| | |
|----------------------|--|
| S. H. H. CLARK..... | <i>General Manager</i> , Omaha. |
| T. L. KIMBALL..... | <i>Assistant General Manager</i> , Omaha. |
| A. J. POPPLETON..... | <i>Attorney</i> , Omaha. |
| J. P. USHER..... | <i>Attorney</i> , Lawrence, Kansas. |
| ERASTUS YOUNG..... | <i>Auditor</i> , Omaha. |
| FRANK D. BROWN..... | <i>Cashier</i> , Omaha. |
| P. J. NICHOLS..... | <i>General Superintendent Nebraska Division</i> , Omaha. |
| S. T. SMITH..... | <i>General Superintendent Kansas Division</i> , Kansas City. |
| A. A. EGBERT..... | <i>General Superintendent Colorado Division</i> , Denver. |
| E. DICKINSON..... | <i>Gen'l Superintendent Wyoming Division</i> , Laramie, Wyo. |
| W. B. DODDRIDGE..... | <i>Gen'l Superintendent Idaho Division</i> , Ogden, Utah. |
| P. P. SHELBY..... | <i>General Freight Agent</i> , Omaha. |
| J. W. MORSE..... | <i>General Passenger Agent</i> , Omaha. |
| C. S. STEBBINS..... | <i>General Ticket Agent</i> , Omaha. |
| LEAVITT BURNHAM..... | <i>Land Commissioner</i> , Omaha. |
| B. McALLISTER..... | <i>Land Commissioner</i> , Kansas City. |

REPORT.

*To the Stockholders of the
Union Pacific Railway Co.*

Your Directors submit the following report of the operations of the Company for the year ending December 31st, 1883.

LENGTH OF ROAD.

UNION DIVISION:

Council Bluffs to the Junction with the Central
Pacific Railroad, - - - - 1,042.4 miles.

KANSAS DIVISION:

Kansas City to Denver, and Leavenworth to
Lawrence, - - - - 672.5 miles.

CHEYENNE DIVISION:

Denver to Cheyenne, - - - - 106 miles.

Total, - - - - 1,820.9 miles.

EARNINGS AND EXPENSES.

| | | |
|--|-----------|-----------------|
| The Gross Earnings of the Company for the year were | - - - - - | \$21,002,541.78 |
| Operating Expenses, (including Taxes), | - | 10,354,540.50 |
| Surplus Earnings, | - - - | \$10,648,001.28 |
| Interest and Dividends collected on Investment Securities, | - - - - | 2,066,682.09 |
| Total Surplus Earnings, | - - | \$12,714,683.37 |

PAYMENTS.

| | | |
|--|-----------|-----------------|
| Interest on Bonds, | - - - - - | \$4,667,711.17 |
| Discount, Interest, and Exchange, | - - | 139,630.33 |
| Sinking Fund Requirements, | - - - | 476,488.78 |
| Amount due to the United States on the business of the year, | - - - - | 1,869,958.33 |
| Premium paid on Bonds redeemed, &c. | - | 38,233.10 |
| Dividends on Stock, | - - - - | 4,260,788.00 |
| Total Payments, | - - - | \$11,452,809.71 |
| Surplus for the year, | - - - - | \$1,261,873.66 |

FUNDED DEBT.

| | | |
|---|-----------|-----------------|
| Total Funded Debt of the Company, | - | \$90,601,582.50 |
| Less amount held by Trustees of Consolidated Bonds, | - - - - - | 6,095,250.00 |
| Balance outstanding, | - - | \$84,506,332.50 |

BONDS CANCELLED OR BOUGHT FOR THE SINKING FUNDS DURING THE YEAR.

| | | |
|--|-----------|--------------|
| Land Grant Bonds, | - - - - - | \$ 81,000.00 |
| Sinking Fund Mortgage Bonds, | - - - | 133,000.00 |
| Omaha Bridge Bonds, | - - - - | 83,000.00 |
| Collateral Trust Bonds, | - - - - | 130,000.00 |
| Denver Extension Bonds purchased and cancelled, | - - - - - | 16,000.00 |
| Denver Extension Bonds purchased for the Sinking Fund, | - - - - - | 104,000.00 |
| Total, | - - - - - | \$547,000.00 |

EARNINGS.

| | |
|--|-----------------|
| From Transportation of Passengers, - - | \$ 4,659,116.16 |
| “ “ Freight, - - | 14,268,291.31 |
| “ “ Mail, - - - | 739,133.19 |
| “ “ Express, - - | 705,261.96 |
| “ Miscellaneous Earnings, - - - | 630,739.16 |
| <hr/> | |
| Total Earnings, - - - - | \$21,002,541.78 |

Compared with the year previous there was
a decrease in earnings of - - - \$1,821,342.46

The aggregate amount of passenger and freight traffic for the year 1883 exceeded the amount for the previous year, the diminished earnings having been caused by a reduction in rates. The total number of passengers carried was 1,185,984, being an excess of 21 per cent.; and of tons of freight carried, 2,583,285, being an excess of 23 per cent. over the year 1882.

The business depression in Colorado for a greater part of the year, together with a division of Montana traffic with the Northern Pacific Railroad, and the entire diversion from our lines after September 15th of the passenger business between Oregon and Washington Territory and the East, caused a large loss in the passenger business of the Union Division. During the last seven months of 1883 there was a reduction of 25 per cent. from the rates previously in force on all the Company's lines in Kansas, but the local traffic resulting from the development of the country adjacent to the Railway considerably exceeded the amount of this loss, and but for the reduction in rates in Colorado and Utah, arising from the completion of rival lines and the failure to agree upon rates, the gross earnings of the Company for the past year would have been largely in excess of the year previous. The latter of these causes has now been remedied, and with the maintenance of present

rates, and the continued increase of traffic, the gross and net earnings for the year 1884 should show very favorably when compared with the past year.

In the Through, and in the Pacific Coast business, there was a gain from last year of 23,083 tons in the east bound freight, but a loss of 67,872 tons in freight west bound. The local freight increased from 1,609,500 tons to 2,135,955 tons, being at the rate of $32\frac{7}{10}$ per cent., and the local freight tonnage increased from 329,941,729 tons carried one mile, to 435,380,875 tons carried one mile, being an increase of 32 per cent. The average decrease in rates per ton per mile for the year on through freight was $\frac{73}{100}$ of one cent, and on local freight was $\frac{34}{100}$ of one cent.

In agricultural products, consisting of corn, oats, barley, wheat, flour and meal, there was an increase of 290,652 tons, being at the rate of 62 per cent.

In mining products, consisting of metallic ores, lead, bullion, matte and tailings, and commercial coal, the increase was 137,941 tons or 30 per cent.

In building materials, consisting of stone, brick, cement, lime, hardware, lumber, timber, shingles and lath, there was an increase of 85,962 tons or $28\frac{1}{4}$ per cent.

In live stock, consisting of cattle, sheep, hogs, horses and mules, the increase was 38,620 tons or $22\frac{1}{4}$ per cent.

In emigrants' movables, the increase was 7,512 tons or $83\frac{3}{10}$ per cent.

These results of the year's business in the transportation of freight indicate the rapid progress that is being made in the settlement of the country and in the development of mining and industrial interests along the lines of the Company's Railways.

OPERATING EXPENSES.

The operating expenses, including taxes, in 1883, were \$10,354,540.50. Compared with the year previous there was a saving of \$653,438.72 in the cost of maintenance of way and of cars, and the increase in the cost of conducting

transportation was \$203,731.66, the total saving in operating expenses being \$372,508.78.

To meet the competition forced on this Company by the injudicious action of rival lines, it became necessary, besides reducing rates, to run an additional number of trains. In consequence thereof, mainly, but partly owing to a larger traffic, the locomotive mileage was increased from 9,611,683, in 1882, to 12,448,764, in 1883, being an increase of $29\frac{1}{2}$ per cent. The train mileage cost $\$1.09\frac{7}{10}$ per mile, or $1\frac{7}{10}$ cents per mile less than during 1882, which is a favorable result, considering the increased speed of through passenger train service during the year.

COAL MINING.

The total amount of coal mined by the Company amounted to 757,119 tons, being an increase from the same mines of 95,273 tons, or $14\frac{3}{10}$ per cent., over the out-put of the preceding year. The average cost loaded into cars was $\$1.40\frac{1}{2}$ per ton, being $5\frac{1}{2}$ cents less than during 1882.

The amount of coal sold for commercial purposes was 265,113 tons, being an increase of $10\frac{2}{10}$ per cent. over that of the year previous. This is a fair yearly increase in the supply for commercial purposes. During the past year the demand was largely in excess of the capacity of the Company to supply it, owing to insufficient means of transportation. The mines are capable of producing the full supply for the Railroad Company, and for commercial use of the large district of country penetrated by its main and tributary lines, but it is evident from the experience of the past year, that additional equipment will be required for that purpose. The policy of furnishing coal, approximately at cost, has been maintained, and the amplest assurance is given in the development of industries along the lines of Railway, that it is more advantageous to the Company than would be a direct profit on the sale of coal.

LARAMIE ROLLING MILL.

During 1883 there were turned out from the Company's Mill at Laramie, 6,154 tons of iron rails, and 8,510,997

pounds of bar iron, splices, spikes, bolts and nuts. The continued fall in the price of steel rails during the past year had reached a price in June, when it was no longer deemed advantageous to re-roll iron rails, and at the expiration of that month the business of manufacturing rails for side tracks, and for subsidiary lines of the Company was suspended. Since that date the rails taken out of tracks have been rolled into bar iron, used in the manufacture of cars and into material for track fastenings.

LAND SALES.

The sales of Company lands in 1883 amounted to a larger sum than in any previous year since the sales were commenced, and exceeded the sales last year by the sum of \$2,308,837.82.

The total number of acres sold during the year was 1,166,349.39, for the gross sum of \$4,081,133.94. The number of purchasers was 3,814, who bought an average of $305\frac{4}{9}$ acres each, at the average price of \$3.50 per acre.

Favorable crops in Kansas and Nebraska, and the partial failure of crops in Manitoba and in Wisconsin, turned the tide of emigration to lands adjacent to the lines of the Company, and their superior character secured purchasers. A large quantity of lands sold for farming purposes is within a belt of country which, until recently, was regarded as a region where crops could not be raised without an expensive system of irrigation.

It is a very favorable feature that, besides the direct income from the sale of these lands at advanced prices, their settlement and cultivation will afford an amount of local business for the Railway of a very extensive and profitable character. All lands granted to the Company have been sold for the distance of 200 miles west of the Missouri River.

RENEWALS AND REPAIRS.

During the year 1883 there were laid in renewal of tracks 9,237 tons of steel rails, 2,221 tons of iron rails, and 612,134 cross ties of oak, cedar or pine. The iron rails were laid in side tracks only. One iron truss bridge, four wood

truss bridges, and 312 pile bridges were rebuilt, aggregating 23,360 feet in length. Repairs were made to 775 bridges, 161 station buildings, and to 85 tenement houses and hotels, at the cost of \$363,682.26.

CONNECTING RAILROADS.

During the past year the Railroads connecting with the Union Pacific Railway and operated under its control were extended as follows :

| | |
|--|------------|
| Oregon Short Line Railway and Wood River | |
| Branch, - - - - - | 317 miles. |
| Omaha and Republican Valley R. R. - - - | 27 " |
| Omaha, Niobrara and Black Hills R. R. - - | 14 " |
| Georgetown, Breckenridge and Leadville Ry. - | 2 " |
| Denver, South Park and Pacific R. R. - - | 36 " |
| <hr/> | |
| Total, - - - - - | 396 miles. |

In addition to the above the grading in advance of track-laying was completed as follows :

| | |
|--|-----------|
| Oregon Short Line Railway, - - - - - | 24 miles. |
| Omaha and Republican Valley Railroad, - - | 21 " |
| Omaha, Niobrara and Black Hills Railroad, - | 16 " |
| Georgetown, Breckenridge and Leadville Railway | 6½ " |
| Denver, South Park and Pacific Railroad, - | 21½ " |

The aggregate length of connecting railroads operated in the interest of your Company, January 1st, 1884, amounted to 2,960 miles, as follows :

| | |
|---|------------|
| Omaha and Republican Valley R. R., - - - | 187 miles. |
| Omaha, Niobara and Black Hills R. R., - - | 98 " |
| Marysville and Blue Valley R. R., - - - | 38 " |
| Colorado Central Railroad, - - - - - | 327 " |
| Echo and Park City Railway, - - - - - | 32 " |
| Utah and Northern Railway, - - - - - | 462 " |
| Oregon Short Line Railway and Branch, - - | 572 " |
| Greeley, Salt Lake and Pacific Ry., - - - | 41 " |
| Lawrence and Emporia Ry., - - - - - | 31 " |
| Junction City and Fort Kearney Ry., - - - | 70 " |

| | | |
|---|---------|-------------|
| Salina and Southwestern Ry., | - - - - | 35 miles |
| Golden, Boulder and Caribou Ry., | - - - - | 6 " |
| Denver and Boulder Valley R. R., | - - - - | 27 " |
| Georgetown, Breckenridge and Leadville Ry., | - - - - | 2 " |
| Central Branch U. P. R. R., and leased lines (operated by the Missouri Pacific R. R.), | - - - - | 388 " |
| Kansas Central R. R., | - - - - | 165 " |
| Denver, South Park and Pacific R. R., | - - - - | 300 " |
| Manhattan and Blue Valley R. R., | - - - - | 4 " |
| Salt Lake and Western R. R., | - - - - | 54 " |
| Nevada Central Ry., | - - - - | 93 " |
| Total, | - - - - | 2,932 miles |

In addition to the above, the Company has large proprietary interests in the following operated as independent lines :

| | | |
|---|---------|------------|
| St. Jo. and Western R. R., | - - - - | 251 miles. |
| Solomon Railroad, | - - - - | 57 " |
| Utah Central Ry., | - - - - | 280 " |
| Leavenworth, Topeka and Southwestern Ry., | - - - - | 47 " |
| Manhattan, Alma and Burlingame Ry., | - - - - | 28 " |

OREGON SHORT LINE RAILWAY.

At the date of the last Annual Report this Railway was open for business to Shoshone, Idaho, 321 miles from the point of its connection with the Union Pacific Railway. Up to the 1st of January, 1884, the road had been operated for an average length of about 420 miles; the net earnings of its business since April 1st being only \$57,000 less than the current interest on the bonds issued for its construction. This is regarded as a very favorable result, and is confirmative of the confidence heretofore expressed of the large volume of business that this road will exchange with the Union Pacific upon further development of the Wood River Mining District.

When it became evident that the Oregon Railway and Navigation Company would be unable to complete its line to a junction with the Oregon Short Line at the date anticipated in the last Annual Report of this Company, it

became less important to complete the Oregon Short Line by that time. The grading was completed, however, by the 1st of January, 1884, and at this date (March 1st), there remain but $2\frac{1}{2}$ miles of track to be laid.

It is understood that arrangements are in progress for hastening the completion of the Oregon Railway and Navigation Company's Railroad to the junction with the Oregon Short Line.

UTAH AND NORTHERN RAILWAY.

The completion of the Northern Pacific Railroad to Portland, gave to the Union Pacific, by the Utah and Northern Railway, a railway connection to Oregon and an interchange of business mutually advantageous has taken place. Until the completion of the Oregon Railway and Navigation Company's line to a connection with the Oregon Short Line, this all-rail route to and from Oregon and Washington Territory, can be utilized with valuable results. A branch line from the Utah and Northern Railway at Market Lake, to the Yellowstone Park, is of easy construction, and when completed it will add a large passenger traffic to the Union Pacific, the Oregon Short Line, and to the Utah and Northern.

DENVER, SOUTH PARK AND PACIFIC RAILROAD.

It was deemed advantageous that an independent line should be constructed to Leadville, in place of paying to the Denver and Rio Grande Railway the large sum demanded for the use of 43 miles of its track, by which the connection to Leadville has hitherto been made. Accordingly, a branch 34 miles in length has been built, extending from Dillon to Leadville; and on the 6th of February the first locomotive passed over the route. A short spur, $7\frac{1}{2}$ miles in length, has also been built to give direct connection between the Denver, South Park and Pacific line, and its Gunnison extension. The branch, 16 miles in length, extending from Gunnison to the coal mines on Ohio Creek, has been completed, by which an ample supply of fuel of excellent quality has been obtained.

OPERATIONS OF 1883.

An examination of the subjoined statements will disclose the following resulting balances of income for the year, which are equal to the percentages enumerated below on the share capital of the Company :

| | |
|--|----------------------|
| Surplus of General Income, after allowing for dividends at the rate of 7 per cent., $2\frac{73}{1000}$ per cent., or - - - - - | \$1,261,873.66 |
| Surplus of Land and Trust Income, $4\frac{925}{1000}$ per cent., or - - - - - | 3,040,467.09 |
| Surplus carried to Income used for Sinking Funds, $7\frac{88}{1000}$ per cent., or - - - - - | 476,488.78 |
| | <hr/> \$4,778,829.53 |
| Deduct, Deficit in Special U. S. Income, $1\frac{83}{1000}$ per cent., or - - - - - | 111,752.91 |
| | <hr/> |
| Net additions to the Income Accounts, over and above the 7 per cent. dividends paid during the year, $7\frac{668}{1000}$ per cent., or - | \$4,667,076.62 |

It will also be seen that during the year 1883 the amount of the Investment Accounts was increased by the sum of \$4,181,519.82, and that there was a further increase of \$2,907,344.62 in the Land Department Assets.

During the past year the Company has been subjected to losses of earnings from causes beyond its control. The volume of business was largely greater than that of the year preceding, but the Company was compelled, by a competition that persisted in carrying freight at a loss, to surrender the transportation of a large amount of competitive freight, or to accept a small profit on the business. To strengthen its position, and to obviate, if possible, a recurrence of similar unwise action by rival lines, the Company formed an alliance known as the "Tripartite" with Railway lines extending eastward from the Missouri River. By concurrent action it is believed that greater

stability in rates will be ensured, and the interests of the Railways, and of the business communities along their lines, will be promoted.

The relations of the Company with the United States have not changed during the past year. The principal matter in dispute between the Government and the Company, is in relation to the amount which shall be allowed to the Company as compensation for the carrying of the mails. Under the decision of the United States Supreme Court, the Company has a charge against the United States for this service, covering the period from February, 1876, after which date the Company gave notice that it would no longer acquiesce in the rate prescribed by the Postmaster General, to December 31st, 1882, which exceeds the allowances of the Postmaster General for the same period by upwards of \$3,500,000. The Post Office Department and the Company have not been able to come to any arrangement in respect of this controversy, and the matter has therefore been allowed to go to the Court of Claims for the purpose of having the "fair and reasonable rate" contemplated under the Company's charter established. The contention of the Company is, that until this amount of mail compensation has been definitely ascertained it will not be possible for the Government or for the Company's officers to state correctly the net earnings of the Company's road, as contemplated under the "Thurman Act," nor to offset against the percentage of those net earnings the correct amount of Government transportation, which, under the Act referred to, is to be deducted before any cash balance is ascertained or required to be paid. By reference to the report of the Commissioner of Railroads of 1883, page 36, it will be seen that the total cash payment claimed by the Government to Dec. 31st, 1882, under the least favorable construction of the term "net earnings" under the Act of 1878, is \$1,727,742.54. Against this balance claimed to be due by the Government, the Company has the claim above referred to of about \$3,500,000. It is not probable therefore that, under any decision that the Court of Claims may

reach, a rate will be found which will so far reduce the amount of our claim as to make it less in amount than the claim of the Government. On the other hand it is probable that upon an adjustment of the accounts, a large balance will be found to be due to the Company. It may be added that only a small portion of the current charge is being entered in the Earnings Accounts of the Company, so that no appreciable diminution of the current income would ensue were the whole of the controverted claim for the year thrown out of the year's income.

The meaning of the term "Net Earnings," about which there exists between the Government and the Company a difference of opinion, yet remains to be determined by the Court.

The continued increase of local traffic and the rapid settlement of Government and of Company lands along its lines of Railway are the surest guarantee of the future prosperity of the Company.

In the operation of the lines of the Company's Railway the highest efficiency, consistent with judicious economy, is the object sought to be attained. The tracks, buildings, machinery and equipment are maintained in thorough repair, and improvements tending to promote economy, or to enhance the comfort and safety of passengers, are constantly being made. The Government Directors, in their Report to the Secretary of the Interior, dated February, 1884, state: "the road-bed, track, buildings and equipment are all in excellent condition, and are kept well up to the highest standard of the best roads in the country."

By order of the Board of Directors,

SIDNEY DILLON,

President.

UNION PACIFIC RAILWAY CO.

FINANCIAL

STATEMENTS,

1883.

General Balance Sheet.

| | | |
|---|------------------|------------------|
| COST OF ROAD AND FIXTURES. | | |
| Old Construction and Equipment, as per last report..... | \$153,514,493 48 | |
| Paid on old Accounts during the Year. | 156,911 71 | |
| Balance of old Construction, this date.. | \$153,671,405 19 | |
| Construction Expenditures since Con- solidation, as per statement..... | 1,585,495 79 | |
| Equipment Expenditures since Consoli- dation, as per statement..... | 2,134,738 78 | |
| | | \$157,391,639 76 |
| INVESTMENTS— | | |
| Securities of auxiliary Companies : | | |
| Stocks, as per Statement, cost..... | \$13,536,961 58 | |
| Bonds, as per Statement, cost... .. | 19,500,645 37 | |
| Investments in auxiliary Companies payable in Bonds and Stocks..... | 4,811,124 41 | |
| County and Township Bonds | 32,850 00 | |
| Miscellaneous Stocks and Bonds | 666,951 32 | |
| Coal Mines, Lands, &c. | 431,570 51 | |
| Securities of auxiliary Companies in the Consolidated Mortgage Trust, as per statement: | | |
| Bonds | \$3,158,000 00 | |
| Stocks | 52,950 00 | |
| | 3,210,950 00 | |
| Denver Extension Sinking Fund..... | 289,000 00 | |
| | | 42,480,053 19 |
| LAND DEPARTMENT ASSETS— | | |
| Union Pacific R. R. Co. Land Grant... | \$7,180,392 52 | |
| Kansas " R'y Co. " ... | 2,033,711 30 | |
| | | 9,214,103 82 |
| | | \$209,085,796 77 |

December 31, 1883.

| | | |
|--|-----------------|------------------|
| Capital Stock..... | | \$60,868,500 00 |
| Funded Debt..... | \$90,601,582 50 | |
| Less amount held by the Trustees under the Kansas Pacific Consolidated Mortgage | 6,095,250 00 | 84,506,332 50 |
| UNITED STATES BONDS AND INTEREST. | | |
| Union Pacific R. R. Co. Bonds..... | \$27,236,512 00 | |
| Kansas Pacific Railway Co. Bonds | 6,303,000 00 | |
| Interest accrued thereon | \$33,539,512 00 | |
| Less amounts repaid by the Company.... | \$32,093,368 86 | |
| | 18,225,327 91 | |
| | 18,868,040 95 | |
| UNFUNDED DEBT— | | 47,407,552 95 |
| Notes Payable..... | \$3,898,000 00 | |
| Accounts Payable..... | 1,414,653 96 | |
| Coupons, Dividends, and Drawn Bonds, including those due January 1, 1884..... | 2,421,106 17 | |
| Audited Bills, Pay Rolls, &c., for December, 1883..... | 2,907,612 56 | |
| | \$10,141,372 69 | |
| LESS: Cash on hand.. | \$1,962,310 10 | |
| Balances due from Station and other Agents and Foreign Roads..... | 1,954,044 45 | |
| Balances due from auxiliary roads.... | 1,259,510 94 | |
| Company's Stock and Bonds owned by the Company..... | 2,099,483 58 | |
| Fuel and Material on hand..... | 2,557,564 49 | |
| | 9,882,868 56 | |
| | | 308,509 13 |
| Interest accrued not yet due | | 795,914 17 |
| INCOME ACCOUNTS— | | |
| General Income..... | \$8,255,121 21 | |
| Income used for Sinking Funds..... | 1,791,488 78 | |
| Land and Trust Income | 5,714,688 62 | |
| | \$15,761,298 61 | |
| Deduct deficit of U. S. Requirements as compared with annual U. S. Interest Feb. 1, 1880, to Dec. 31, 1883.... | 562,310 59 | |
| | | 15,198,988 02 |
| | | \$209,085,796 77 |

INCOME ACCOUNT, 1883.

| | | |
|--|-----------------------|------------------------|
| By Gross Earnings, as per statements... | \$21,002,541 78 | |
| Less, Operating Expenses, as per state- ments | 10,854,540 50 | |
| Surplus Earnings | | \$10,648,001 28 |
| INCOME FROM INVESTMENTS. | | |
| Dividends on Stocks..... | \$701,923 04 | |
| Interest on Bonds..... | 1,864,759 05 | |
| | | 2,066,682 09 |
| | | <u>\$12,714,683 37</u> |
| To Interest on Bonds..... | \$5,284,411 17 | |
| Less, repaid to the Co. by Trustees K. P. Consoli- dated Mortgage..... | 616,700 00 | |
| | <u>\$4,667,711 17</u> | |
| To Discount, Interest and Exchange..... | 139,630 33 | |
| TO COMPANY'S SINKING FUND REQUIREMENTS : | | |
| Sinking Fund Mortgage Bonds | \$133,000 00 | |
| Omaha Bridge Bonds..... | 83,000 00 | |
| Denver Extension Sinking Fund..... | 100,000 00 | |
| Collateral Trust Bonds.... | 127,000 00 | |
| Trust Five Per Cent. Bonds | 33,488 78 | |
| | <u>476,488 78</u> | |
| To amount due the United States on the business of the year..... | 1,869,958 33 | |
| To premiums paid on bonds redeemed... | 38,233 10 | |
| | | <u>7,192,021 71</u> |
| Balance in Excess of Fixed Charges, | \$5,522,661 66 | |
| To Dividends at seven per cent. | 4,260,788 00 | |
| Surplus for the Year | | \$1,261,873 66 |
| By Balance Credit at date of last Report, December 31, 1882..... | | 6,993,247 55 |
| Balance, credit, Dec. 31, 1883, as per General Balance Sheet | | <u>\$8,255,121 21</u> |

Comparative Statement of Earnings and Expenses for the Years 1882 and 1883.

| EARNINGS. | 1882. | 1883. | INCREASE. | DECREASE. |
|---------------------------------|-----------------|-----------------|--------------|----------------|
| Passengers—Cash | \$5,054,343 73 | \$4,545,343 29 | | \$508,995 44 |
| " Government | 143,386 28 | 113,767 87 | | 29,618 41 |
| Freight—Cash | 13,543,841 56 | 12,596,582 13 | | 947,259 43 |
| " Government | 361,648 07 | 342,957 93 | | 18,690 14 |
| " Company | 1,496,677 74 | 1,328,761 25 | | 167,926 49 |
| Mail | 746,515 61 | 739,133 19 | | 7,382 42 |
| Express | 748,832 30 | 705,261 96 | | 43,570 34 |
| Car Service | 149,321 14 | 42,264 75 | | 107,056 39 |
| Rent of Buildings | 41,184 89 | 38,982 02 | | |
| Miscellaneous | 538,032 92 | 549,492 39 | \$11,459 47 | 2,202 87 |
| TOTAL EARNINGS | \$22,823,864 24 | \$21,002,541 78 | | \$1,821,342 46 |
| EXPENSES— | | | | |
| Conducting Transportation | \$2,392,498 72 | \$2,536,230 38 | \$203,731 66 | |
| Motive Power | 3,775,888 47 | 3,778,344 59 | 2,456 12 | |
| Maintenance of Cars | 957,943 44 | 848,062 73 | | \$109,880 71 |
| Maintenance of Way | 2,082,492 48 | 1,845,961 85 | | 236,530 63 |
| Renewal of Rails | 556,142 66 | 249,115 28 | | 307,027 38 |
| General Expenses | 474,296 97 | 531,684 87 | 57,387 90 | |
| Taxes | 487,786 54 | 505,140 80 | 17,354 26 | |
| TOTAL EXPENSES | \$10,727,049 28 | \$10,354,540 50 | | \$372,508 78 |
| SURPLUS EARNINGS | \$12,096,814 96 | \$10,648,001 28 | | \$1,448,813 68 |
| Expense Ratio, per cent. | 47.00 | 49.30 | | |
| Miles Operated | 1,820.9 | 1,820.9 | | |

Statement of the Funded Debt, December 31, 1883.

| | ISSUED AND UNPAID. | Held by Trustees Kansas Pacific Consolidated Mortgages. | AFLOAT. |
|---|------------------------|--|------------------------|
| UNION PACIFIC RAIL- ROAD CO. | | | |
| First Mortgage Bonds... | \$27,229,000 00 | | \$27,229,000 00 |
| Land Grant Bonds | 4,589,000 00 | | 4,589,000 00 |
| Sinking Fund Coupon Bonds | 12,115,000 00 | | 12,115,000 00 |
| Sinking Fund Registered Bonds | 1,746,000 00 | | 1,746,000 00 |
| Omaha Bridge Bonds... | 1,805,000 00 | | 1,805,000 00 |
| Collateral Trust Bonds.. | 4,788,000 00 | | 4,788,000 00 |
| KANSAS PACIFIC RAIL- WAY CO. | | | |
| Eastern Division Bonds. | 2,240,000 00 | | 2,240,000 00 |
| Middle Division Bonds.. | 4,063,000 00 | | 4,063,000 00 |
| Denver Extension Bonds. | 6,307,000 00 | | 6,307,000 00 |
| Leavenworth Branch Bonds | 600,000 00 | \$565,000 00 | 35,000 00 |
| Consolidated Mortgage Bonds | 15,775,005 00 | | 15,775,005 00 |
| Income Bonds | 263,700 00 | 215,350 00 | 48,350 00 |
| Income Bonds Subordi- nated | 4,011,650 00 | 3,295,900 00 | 715,750 00 |
| Denver Extension Cou- pon Certificates | 2,397 50 | | 2,397 50 |
| Leavenworth Branch Coupon Certificates... | 4,830 00 | | 4,830 00 |
| Cheyenne Branch Bonds. | 2,062,000 00 | 2,019,000 00 | 43,000 00 |
| UNION PACIFIC RAIL- WAY CO.— | | | |
| Trust Five Per Cent. Bonds | 2,980,000 00 | | 2,980,000 00 |
| Trust Five Per Cent. Registered Bonds.... | 20,000 00 | | 20,000 00 |
| | \$90,601,582 50 | \$6,095,250 00 | \$84,506,332 50 |

*Statement of Stocks and Bonds of other Companies
owned by the Company December 31, 1883.*

| | STOCKS. | BONDS. |
|--|------------------------|------------------------|
| Omaha, Niobrara and Black Hills..... | \$977,000 00 | \$977,000 00 |
| Omaha and Republican Valley..... | 926,900 00 | 1,851,000 00 |
| Marysville and Blue Valley..... | 64,000 00 | 128,000 00 |
| Echo and Park City..... | 480,000 00 | 480,000 00 |
| Utah and Northern..... | 4,816,400 00 | 4,968,000 00 |
| Colorado Central..... | 6,229,000 00 | 4,697,000 00 |
| Colorado Central, of Wyoming..... | 180,000 00 | |
| Lawrence and Emporia..... | 465,000 00 | |
| Salina and Southwestern..... | 231,700 00 | |
| St. Joseph Bridge Building Co..... | 500,000 00 | 784,000 00 |
| Central Branch Union Pacific..... | 858,700 00 | |
| Atchison, Colorado and Pacific..... | 150,000 00 | 508,000 00 |
| Kansas Central..... | 1,313,400 00 | 1,162,000 00 |
| Utah and Nevada..... | 438,500 00 | |
| Manhattan, Alma and Burlingame..... | 418,650 00 | 339,000 00 |
| Nevada Central..... | 959,500 00 | 250,000 00 |
| Denver, South Park and Pacific..... | 5,192,500 00 | 1,489,000 00 |
| Wasatch and Jordan Valley..... | | 10,000 00 |
| Manhattan and Blue Valley..... | 44,341 98 | |
| St. Joseph and Western..... | 1,536,200 00 | |
| St. Joseph and Pacific, First Mortgage | | 1,303,869 00 |
| Kansas and Nebraska, " " | | 1,114,661 40 |
| " " " " Second " " | | 24,700 00 |
| Hastings and Grand Island..... | | 375,000 00 |
| Utah Central..... | 1,886,900 00 | |
| Utah Southern Extension..... | | 982,000 00 |
| St. Louis, Council Bluffs and Omaha .. | | 19,500 00 |
| Denver, Western and Pacific..... | 762,500 00 | 694,000 00 |
| Loveland Pass Mining and Railroad | | |
| Tunnel..... | 4,800 00 | 400,000 00 |
| Salt Lake and Western..... | 1,080,000 00 | 1,080,000 00 |
| Gray's Peak, Snake River and Leadville | 6,000 00 | |
| Colorado Western..... | 9,100 00 | |
| Leavenworth, Topeka and Southwest- | | |
| ern Railway..... | 555,900 00 | |
| Greeley, Salt Lake and Pacific..... | 808 500 00 | 808,000 00 |
| Oregon Short Line..... | 6,058,000 00 | |
| | <u>\$36,903,491 98</u> | <u>\$24,444,230 40</u> |

*Statement of Securities held by the Trustees under the Kansas
Pacific Railway Company's Consolidated Mortgage.*

| | STOCKS. | BONDS. |
|------------------------------------|-----------------------|-----------------------|
| unction City and Fort Kearney..... | \$720,000 00 | \$970,000 00 |
| Golden, Boulder and Caribou..... | 60,000 00 | 60,000 00 |
| Solomon..... | 1,000,500 00 | 575,000 00 |
| Denver and Boulder Valley..... | | 548,000 00 |
| Lawrence and Emporia..... | | 465,000 00 |
| Salina and Southwestern..... | | 540,000 00 |
| National Land Co..... | 94,800 00 | |
| | <u>\$1,875,300 00</u> | <u>\$3,158,000 00</u> |

*Comparative Statement of the Income Accounts for
the Years 1882 and 1883.*

| | 1882. | 1883. | Increase or Decrease. |
|---|-----------------|-----------------|--------------------------|
| Earnings..... | \$22,823,884 24 | \$21,002,541 78 | Dec. \$1,821,342 46 |
| Operating Expenses..... | 10,727,049 28 | 10,354,540 50 | Dec. 372,508 78 |
| Surplus Earnings..... | \$12,096,834 96 | \$10,648,001 28 | Dec. \$1,448,833 68 |
| Income from Investments..... | 2,211,099 35 | 2,066,682 09 | Dec. 144,417 26 |
| Surplus Earnings and In- come from Investments..... | \$14,307,934 31 | \$12,714,683 37 | Dec. \$1,593,250 94 |
| Interest on Bonds..... | \$5,234,478 93 | \$5,284,411 17 | Inc. \$49,932 24 |
| Less, repaid to the Co. by Trustees K. P. Consoli- dated Mortgage..... | 258,275 00 | 616,700 00 | Inc. 358,425 00 |
| Sinking Fund Require- ments..... | \$4,976,203 93 | \$4,667,711 17 | Dec. \$308,492 76 |
| United States Require- ments..... | 442,000 00 | 476,488 78 | Inc. 34,488 78 |
| Discount, Interest and Exchange..... | 2,097,189 90 | 1,869,958 33 | Dec. 227,231 57 |
| Premiums on Bonds and Losses on Investments.. | 172,722 31 | 139,630 33 | Dec. 33,091 98 |
| | 18,923 16 | 38,233 10 | Inc. 19,309 94 |
| Total..... | \$7,707,039 30 | \$7,192,021 71 | Dec. \$515,017 59 |
| Balance applicable to Di- vidends..... | \$6,600,895 01 | \$5,522,661 66 | Dec. \$1,078,233 35 |
| Dividends at 7 per cent... | 4,260,788 00 | 4,260,788 00 | |
| Surplus over Dividends for the year of the Gen- eral Income Account... | \$2,340,107 01 | \$1,261,873 66 | Dec. \$1,078,233 35 |
| Surplus for the year of the Land and Trust Income Account..... | 1,088,495 60 | 3,040,467 09 | Inc. 1,951,971 49 |
| Surplus for the year of Income used for Sinking Funds..... | 442,000 00 | 476,488 78 | Inc. 34,488 78 |
| | \$3,870,602 61 | \$4,778,829 53 | Inc. \$908,226 92 |
| Deficit for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest..... | | 111,752 91 | Dec. 228,193 28 |
| Surplus for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest..... | 116,440 37 | | |
| Total amount added to Surplus for the year... | \$3,987,042 98 | \$4,667,076 62 | \$680,033 64 |

Land and Trust Income, 1883.

| | |
|---|----------------------|
| By net proceeds Union Pacific Railroad Land Grant, as per statement..... | \$2,526,866 78 |
| By net proceeds Kansas Pacific Railway Land Grant, as per statement..... | 948,418 65 |
| By net proceeds other Lands and Lots..... | 16,676 66 |
| By income from Leased Lands..... | 10,000 00 |
| By income from Trust Investments: Bonds..... | 155,710 00 |
| | <hr/> \$3,657,167 09 |
| Less amount paid by Trustees on account of Interest on Consolidated Bonds..... | 616,700 00 |
| | <hr/> |
| Leaving net Surplus for 1883..... | \$3,040,467 09 |
| Balance, credit, as per Report for December 31, 1882.... | 2,674,221 53 |
| | <hr/> |
| Balance, credit, December 31, 1883, as per General Balance Sheet..... | \$5,714,688 62 |

*Fund Relating to the Union Pacific Railroad Co.
Land Grant Bonds.*

| | |
|--|-----------------|
| Amount of Bonds issued | \$10,400,000 00 |
| Cancelled to December 31, 1882..... | \$5,780,000 00 |
| “ in 1883..... | 81,000 00 |
| | <hr/> |
| Total cancelled to December 31, 1883.... | 5,811,000 00 |
| | <hr/> |
| Amount of Bonds outstanding Decen- 31, 1883. | \$4,589,000 00 |
| Land and Town Lot Contracts of the Union Pacific Railroad Land Grant, out- standing December 31, 1883..... | \$5,177,980 71 |
| Cash Balances, Trustee, December 31, 1883..... | 2,002,103 61 |
| | <hr/> |
| Total amount applicable to payment of Bonds..... | 7,180,084 32 |
| | <hr/> |
| Amount of Contracts on hand and Cash in hands of the Trustee in excess of amount required for payment of Bonds..... | \$2,591,084 32 |

*Statement of the Union Pacific Railroad Land
Grant for 1883.*

| Sales, 1883. | Acres. | Average Price Per Acre for the Year. | Amount. |
|--|------------|--|----------------|
| January | 14,567.83 | | \$62,957 14 |
| February | 33,778.17 | | 94,627 69 |
| March | 39,490.78 | | 170,012 99 |
| April | 59,171.69 | | 191,108 42 |
| May | 61,830.04 | | 236,726 14 |
| June | 77,127.54 | | 300,896 01 |
| July | 77,005.83 | | 228,241 35 |
| August | 85,475.24 | | 270,143 06 |
| September | 76,185.89 | | 219,043 86 |
| October | 104,357.28 | | 230,485 45 |
| November | 113,062.99 | | 316,668 77 |
| December | 125,818.07 | | 380,204 05 |
| Totals for 1883 | 867,871.35 | \$3.11 | \$2,701,114 98 |
| 2,606 Purchasers, averaging 303 $\frac{1}{10}$ acres to each. | | | |
| Less cancelled in 1883 | 62,037.81 | | 264,347 72 |
| Net Sales | 805,833.54 | | \$2,436,767 21 |
| Sales of Town Lots | | | 24,647 80 |
| Interest on Land and Town Lot Contracts | | | 241,740 94 |
| Payments Forfeited on Cancelled Contracts | | | 27,005 77 |
| Receipts from other sources, Interest, etc. | | | 28,968 92 |
| Total proceeds | | | \$2,759,130 64 |
| <i>Deduct Expenses :</i> | | | |
| General Expenses and Taxes, Lands and Lots. | \$117,624 | 71 | |
| Discounts, Commissions, etc. | 108,516 | 72 | |
| Premium, Interest, etc., on 81 Union Division Land Grant Bonds redeemed | 6,622 | 43 | |
| | | | 232,763 86 |
| Net proceeds Union Pacific R. R. Land Grant | | | \$2,526,366 78 |

*Statement of the Kansas Pacific Railway Land
Grants for 1883.*

| Sales, 1883. | Acres. | Average Price Per Acre for the Year. | Amount. |
|---|------------|--|----------------|
| January | 8,404.43 | | \$42,448 65 |
| February | 8,842.86 | | 43,275 10 |
| March | 25,255.79 | | 117,701 49 |
| April | 25,149.27 | | 110,307 07 |
| May | 52,057.94 | | 184,540 83 |
| June | 41,541.01 | | 184,769 87 |
| July | 25,547.48 | | 123,357 26 |
| August | 35,823.87 | | 138,748 36 |
| September | 11,259.02 | | 55,367 05 |
| October | 17,132.83 | | 91,829 25 |
| November | 14,099.67 | | 77,721 50 |
| December | 33,363.87 | | 147,952 58 |
| Totals for 1883 | 298,478.04 | \$4 41½ | \$1,380,019 01 |
| 1,208 Purchasers, averaging 247 acres to each. | | | |
| Less, cancelled in 1883 | 80,292.38 | | 352,462 08 |
| Net sales | 218,185.71 | | \$965,556 93 |
| Sales of Town Lots | | | 12,486 00 |
| Interest on Land and Town Lot Contracts | | | 97,625 07 |
| Payments forfeited on Cancelled Contracts | | | 58,214 16 |
| Receipts from other sources, Interest, &c. | | | 1,870 31 |
| Total proceeds | | | \$1,135,752 47 |
| <i>Deduct Expenses :</i> | | | |
| General Expenses and Taxes, Lands and Lots. | | \$78,858 66 | |
| Discounts, Commissions, &c. | | 106,531 87 | |
| Premium, Interest, &c., on 2 Cheyenne Branch Bonds and 16 Denver Extension Bonds re- deemed | | 1,948 29 | |
| | | | 187,338 82 |
| Net proceeds Kansas Pacific Railway Land Grant | | | \$948,413 65 |

*Statement of Sales of Lands and Town Lots to
December 31, 1883.*

UNION PACIFIC R. R. LAND GRANT.

| | | |
|--|---------------------|-----------|
| Net Sales, 2,775,410.02 acres for | \$11,171,846 | 42 |
| Sales of Town Lots..... | 410,563 | 48 |
| Interest on Land and Town Lot Contracts..... | 1,544,063 | 05 |
| Forfeited on Cancelled Contracts..... | 315,272 | 77 |
| Other Receipts, Interest, &c..... | 101,889 | 82 |
| | <u>\$18,548,185</u> | <u>54</u> |

Deduct Expenses paid by Trustees:

| | | |
|---|-----------|-------------------|
| Discounts, Commissions, &c..... | \$392,643 | 87 |
| Premiums on Land Grant Bonds Re- deemed..... | 126,971 | 32 |
| | | <u>519,615,19</u> |

Leaves the amount received by the Trustees, including contracts on hand.....\$18,023,520 35

Deduct Expenses paid by Company:

| | | |
|---------------------------------|-----------|----|
| General Expenses and Taxes..... | 2,189,498 | 95 |
|---------------------------------|-----------|----|

Net proceeds Union Pacific R. R. Land Grant to December 31, 1883.....\$10,834,021 40

KANSAS PACIFIC AND DENVER PACIFIC R'Y LAND GRANTS,

| | | |
|--|--------------------|-----------|
| Net Sales, 1,886,208.06 acres..... | \$7,101,691 | 44 |
| Sales of Town Lots..... | 100,026 | 59 |
| Interest on Land and Town Lot Contracts..... | 806,606 | 75 |
| Forfeited on Cancelled Contracts..... | 291,326 | 57 |
| Other Receipts, Interest, &c..... | 12,197 | 02 |
| Total..... | <u>\$8,311,848</u> | <u>37</u> |

Deduct Expenses:

| | | |
|---|-----------|---------------------|
| General Expenses..... | \$873,330 | 06 |
| Discount on Sales..... | 693,619 | 10 |
| Taxes..... | 112,186 | 10 |
| Interest and Premiums on Bonds Re- deemed..... | 123,766 | 74 |
| | | <u>1,802,902 00</u> |

Net proceeds of Kansas Pacific and Denver Pacific Land Grants, including contracts on hand.....\$6,508,946 37

Total Net Proceeds of all Lands, to Dec.
31, 1883.....\$17,342,967 77

Estimate of Unsold Lands on hand Dec. 31, 1883.

UNION PACIFIC R. R. LAND GRANT :

| | ACRES. |
|--|-----------------|
| In Nebraska, east of North Platte..... | 895,000 |
| " " west " | 1,628,000 |
| " Wyoming, Utah and Colorado..... | 6,300,000 |
| | <hr/> 8,823,000 |

KANSAS PACIFIC RAILWAY LAND GRANT :

| | |
|---------------------------------------|------------------|
| In Kansas, east of 380 Mile Post..... | 1,530,000 |
| In Kansas, west of 380 Mile Post..... | 3,588,000 |
| | <hr/> 5,118,000 |
| Total..... | <hr/> 18,441,000 |

Expenditures for Construction during Year 1883.

UNION DIVISION—

| | | |
|---|-----------|--------------------|
| Blacksmith Shop at Evanston | \$411 48 | |
| Shops at Grand Island..... | 88 47 | |
| Round House at North Platte..... | 78 | |
| New Car Shed at Omaha..... | 2,510 67 | |
| Eating House at Fremont..... | 2,000 00 | |
| Right of Way at Council Bluffs..... | 760 09 | |
| Services Right of Way Agent..... | 632 97 | |
| Land at Morgan City..... | 160 00 | |
| Real Estate in Council Bluffs..... | 22,558 75 | |
| Iron Wagon Bridge on Union Avenue, Council Bluffs..... | 1,500 00 | |
| | | <u>\$30,568 21</u> |

CREDIT.

| | | |
|---|------------|--------------------|
| By One Iron Turntable from Sherman turned over to Oregon Short Line..... | \$1,000 00 | |
| By Old Logs from House at Weber, sold... | 15 00 | |
| " Sale of House at Council Bluffs..... | 275 00 | |
| | | <u>1,290 00</u> |
| | | <u>\$29,278 21</u> |

KANSAS DIVISION—

| | | |
|---------------------------------------|-------------|------------------|
| Buildings, Yards, &c., at Denver..... | \$58,398 88 | |
| Tools and Machinery at Armstrong..... | 295 13 | |
| " " Denver .. | 276 12 | |
| Right of Way..... | 2,111 50 | |
| Real Estate..... | 12,565 00 | |
| | | <u>68,646 58</u> |

LEAVENWORTH BRANCH—

| | |
|--------------------------|----------|
| Land at Leavenworth..... | 2,952 35 |
|--------------------------|----------|

CHEYENNE DIVISION—

| | |
|---------------------|----------|
| Depot at Eaton..... | \$375 08 |
|---------------------|----------|

CREDIT.

| | | |
|---|-------|---------------|
| By One Bolt Lathe transferred to shops D. S. P. & P. R. R..... | 75 00 | |
| | | <u>300 08</u> |

| | |
|--|-----------------------|
| Total for 1883..... | \$101,177 22 |
| Expended to December 31, 1882, as per last Annual Report..... | 1,484,818 57 |
| Amount Expended to December 31, 1883, as per General Balance Sheet..... | <u>\$1,585,495 79</u> |

Expenditures for Equipment during Year 1883.

| | | | |
|---|--------------|----------|----------------|
| 12 Locomotives from Taunton Locomotive Works, Nos. 262-273..... | \$176,000 00 | | |
| 5 Coke Locomotives, Nos. 274-278..... | 49,250 00 | | |
| Freight and fitting Locomotives..... | 9,653 02 | | |
| 1 Derrick Car..... | 2,016 89 | | |
| 1 Wrecking Car..... | 898 68 | | |
| 1 Snow Plow..... | 962 30 | | |
| 6 First Class Passenger Coaches, with Air Brakes and Baker Heaters, complete... | 37,594 08 | | |
| 1 Official Car, from Pullman's Palace Car Co..... | 17,585 94 | | |
| 2 Baggage Cars..... | 6,293 70 | | |
| 25 Fruit Cars..... | 46,158 38 | | |
| Air Brakes on Engines..... | 13,124 83 | | |
| Air Brakes on Cars..... | 11,840 00 | | |
| Double Brakes on 200 Freight Cars..... | 4,083 55 | | |
| Air Brakes on Engine 63..... | 425 00 | | |
| Double Brakes on Freight Cars..... | 318 96 | | |
| 5 Coal Cars..... | 2,688 74 | | |
| 2 Snow Plows..... | 1,095 58 | | |
| | | | \$379,939 10 |
| CREDIT. | | | |
| By Equipment sold: | | | |
| OREGON SHORT LINE. | | | |
| 15 Locomotives..... | \$179,050 00 | | |
| 2 Emigrant Coaches..... | 5,100 00 | | |
| 2 Baggage and Express Cars... | 4,800 00 | | |
| 1 Wrecking Car..... | 500 30 | | |
| | | | \$189,450 30 |
| ECHO AND PARK CITY R. R. | | | |
| 1 Emigrant Coach..... | 2,500 00 | | |
| SALT LAKE AND WESTERN. | | | |
| 1 Emigrant Coach..... | \$3,000 00 | | |
| 1 Flat Car..... | 443 00 | 3,443 00 | 195,393 30 |
| | | | |
| Total for 1883..... | | | \$184,545 80 |
| Expended to December 31, 1882, as per last Annual Report..... | | | 1,950,192 98 |
| Amount Expended to December 31, 1883, as per General Balance Sheet..... | | | \$2,134,738 78 |

UNION PACIFIC RAILWAY.

(Length of Road, 1820.9.)

PERFORMANCE OF LOCOMOTIVES.

Statement of Mileage, Cost of Supplies, and Average Cost per Mile Run for the Fiscal Year Ending December 31, 1883.

| | |
|---------------------------|-------------------|
| Mileage, Passenger..... | 3,145,882 |
| “ Freight..... | 6,289,838 |
| “ Road and Switching..... | 3,018,044 |
| Total | <u>12,448,764</u> |

| | |
|--|--|
| Cost of Fuel used..... | \$1,649,791 52 |
| “ per Mile run..... | 13 ²⁴ / ₁₀₀ cts. |
| “ of Lamp Oil used..... | 10,270 82 |
| “ per Mile run..... | 1 ¹⁰ / ₁₀₀ cts. |
| Lubricating Oil used... .. | 38,703 18 |
| “ per Mile run..... | 1 ¹⁰ / ₁₀₀ cts. |
| “ of Waste used..... | 2,285 57 |
| “ per Mile run..... | 1 ¹⁰ / ₁₀₀ cts. |
| Lubricating Oil and Waste used..... | 40,988 70 |
| “ per Mile run..... | 1 ¹⁰ / ₁₀₀ cts. |
| “ Engineers, Firemen and Wipers..... | 804,986 80 |
| “ per Mile run..... | 6 ⁴⁴ / ₁₀₀ cts. |
| “ of Repairs, Engines and Tenders..... | 841,632 63 |
| “ per Mile run..... | 6 ⁷⁸ / ₁₀₀ cts. |
| Total Cost..... | <u>\$3,347,670 47</u> |
| “ “ per Mile run..... | <u>26⁸²/₁₀₀ cts.</u> |

| | |
|---|---|
| Tons of Coal used..... | 449,128 |
| Number of Miles run to Ton of Coal used..... | 27 ⁷¹ / ₁₀₀ miles. |
| Pints of Lamp Oil used..... | 257,584 |
| Miles run to Pint of Oil used..... | 48 ⁸² / ₁₀₀ miles. |
| Pints of Lubricating Oil used..... | 663,384 |
| Number of Miles run to Pint of Oil used..... | 18 ⁷⁴ / ₁₀₀ miles. |
| Pounds of Waste used..... | 25,696 |
| Number of Miles run to Pound of Waste used..... | 484 ⁴⁴ / ₁₀₀ miles. |

Statement of Train Statistics.

(Whole Road, 1820.9 Miles.)

PASSENGER TRAINS.

| | |
|---|-------------------------------|
| Number of Miles run by Passenger Trains..... | 3,145,882 |
| Average Distance run by each Passenger Train..... | 359 miles. |
| Average Number of Passenger Trains run per day..... | 24 |
| Average Number of Passenger, Baggage, Express and Mail Cars hauled in each Passenger Train per mile..... | 6 |
| Total Passenger Car Mileage.... | 19,162,418 |
| Average Number of Passengers carried on each Passenger Train for mile run..... | 55 $\frac{3}{10}$ passengers. |
| Average Number of miles each Passenger was carried..... | 125 $\frac{1}{10}$ miles. |

FREIGHT TRAINS.

| | |
|---|----------------------------|
| Number of Miles run by Freight Trains | 6,289,888 |
| Average Distance run by each Freight Train..... | 538 miles. |
| Average Number of Freight Trains run per day..... | 32 |
| Average Number of Freight Cars hauled on each Freight Train | 17 $\frac{4}{10}$ |
| Total Freight Car Mileage..... | 109,424,900 |
| Average Number of tons of Freight hauled in each Freight Train per mile run..... | 155 $\frac{3}{100}$ tons. |
| Average Number of Miles each ton of Freight was carried..... | 288 $\frac{4}{100}$ miles. |

TRAIN EARNINGS AND EXPENSES.

| | |
|--|---------------------|
| Average Earnings per mile run by Passenger Trains. | \$1 94 |
| “ “ Freight Trains..... | 2 27 |
| “ “ Passenger and Freight Trains..... | 2 22 $\frac{1}{2}$ |
| Average Cost, including taxes, of running above trains one mile | 1 09 $\frac{7}{10}$ |
| Average Surplus Earnings on each mile run by above trains, | 1 12 $\frac{3}{10}$ |

EQUIPMENT.*Statement of Cars, December 31, 1883.*

| | No. |
|---------------------------------|--------------|
| Pullman..... | 38 |
| Coaches, First-Class..... | 75 |
| " Second-Class..... | 26 |
| " Emigrant..... | 62 |
| Mail..... | 10 |
| Mail and Baggage..... | 8 |
| Mail, Baggage and Express..... | 4 |
| Baggage..... | 38 |
| Express..... | 18 |
| Officers' Cars..... | 7 |
| Pay Cars..... | 2 |
| Total Passenger..... | 288 |
| Fruit Cars..... | 25 |
| Way and Caboose..... | 189 |
| Box Cars..... | 3,824 |
| Refrigerator..... | 25 |
| Flat Cars..... | 619 |
| Coal..... | 1,083 |
| " Dumps..... | 55 |
| " Hoppers..... | 18 |
| Stock..... | 732 |
| Stock Combination..... | 167 |
| Total Freight..... | 6,787 |
| Outfit Construction..... | 20 |
| Derrick Cars..... | 9 |
| Wrecking Tool Cars..... | 12 |
| Pile Drivers..... | 6 |
| Water and Tank..... | 56 |
| Plow and Scraper..... | 40 |
| Total Miscellaneous..... | 143 |
| Grand Total..... | 7,168 |

Statement of Locomotives, December 31, 1883.

| BROAD GAUGE— | | No. |
|-------------------|--|------------|
| 10-Wheel..... | | 97 |
| 8-Wheel..... | | 192 |
| 6-Wheel..... | | 1 |
| Pony..... | | 6 |
| Mogul..... | | 6 |
| Consolidated..... | | 40 |
| Total..... | | 342 |

*Classified Statement of Material on hand,
December 31, 1883.*

| No. | ARTICLES. | QUANTITY. | VALUE. |
|-----|---|----------------------------|--------------|
| 1 | Bar Iron and Nails..... | 4,343,760 pounds, | \$140,739 08 |
| 2 | Coal..... | 43,161 $\frac{1}{2}$ tons, | 201,708 26 |
| 3 | Engine and Car Wheels..... | 4,572 number, | 50,068 00 |
| 4 | Engine and Car Wheels, on Axles | 1,007 pairs, | 24,881 70 |
| 5 | Engine and Car Axles..... | 716,368 pounds, | 22,552 80 |
| 6 | Engine, Car and Road Castings... | 2,149,081 " | 71,600 64 |
| 7 | Fence Wire, Fasteners, Tight- eners, etc..... | 38,550 pounds, | 2,800 70 |
| 8 | Frogs and Switches..... | | 11,070 52 |
| 9 | Iron, (worked and unworked.)... | 1,756,346 pounds, | 55,660 14 |
| 10 | Lumber and Timber..... | 13,666,681 feet, | 465,658 46 |
| 11 | Metals, (Brass, Copper, Lead, Tin, Zinc, etc.)..... | 412,726 pounds, | 67,866 12 |
| 12 | Oil, (Headlight, Lubricating, etc.) | 162,474 gallons, | 42,697 52 |
| 13 | Paints, Oils and Glass..... | | 37,179 55 |
| 14 | Piles..... | 52,919 lineal ft., | 12,685 09 |
| 15 | Posts..... | 4,501 number, | 1,355 17 |
| 16 | Rails—New Iron..... | 1,765 tons, | 65,394 10 |
| 17 | Rails—New Steel..... | 798 " | 38,134 81 |
| 18 | Rails—Old Iron..... | 8,095 " | 184,846 72 |
| 19 | Rails—Old Steel..... | 405 $\frac{1}{2}$ " | 11,003 03 |
| 20 | Rubber Springs..... | 11,294 pounds, | 893 37 |
| 21 | Scrap, (not including Rails.)..... | 2,538 tons, | 27,420 29 |
| 22 | Splices, Spikes, Bolts, Nuts, Nut Locks, etc..... | 1,613,370 pounds, | 85,617 51 |
| 23 | Steel and Steel Springs..... | 470,588 " | 57,618 04 |
| 24 | Stationery..... | | 39,554 77 |
| 25 | Tallow..... | 121,770 pounds, | 10,529 67 |
| 26 | Ties—Cross Ties..... | 350,828 number, | 149,561 07 |
| 27 | Ties—Switch Ties..... | 199,528 feet, | 9,813 69 |
| 28 | Tires, (Iron and Steel,)..... | 210,735 pounds, | 15,930 18 |
| 29 | Tools..... | | 31,872 87 |
| 30 | Waste..... | 70,915 pounds, | 6,203 21 |
| 31 | Wood..... | 4,155 cords, | 12,924 72 |
| 32 | Material in course of manufacture and rolling stock in course of construction..... | | 127,578 36 |
| 33 | Miscellaneous Material—Chains, fire-brick, flues, hardware, hair, hose, leather, lamps, locks, pipe, screws, sinks, tins, wire-netting, and other office, station, shop and road material.. .. | | 474,654 33 |

TOTAL, as per General Balance Sheet.....\$2,557,564 49

LARAMIE ROLLING MILL.
*Statement of Iron Rails Re-rolled, and Bar-Iron, Nuts, Bolts, Spikes, Splices and Mine-Rails
made during the year ending December 31st, 1883.*

| MONTH. | IRON RAILS RE-ROLLED. | | | | | | BAR-IRON Lbs. | NUTS, Lbs. | BOLTS, Lbs. | SPIKES, Lbs. | SPLICES, Lbs. | MINE RAILS, Lbs. |
|----------------|-----------------------|-------|---------|-------|--------|-------|------------------|---------------|----------------|-----------------|------------------|---------------------|
| | 58 lbs. | | 50 Lbs. | | Total. | | | | | | | |
| | Tons. | Lbs. | Tons. | Lbs. | | | | | | | | |
| January..... | 527 | 1,267 | 333 | 1,546 | 861 | 673 | 54,161 | 3,260 | 41,485 | 124,495 | 322,495 | |
| February..... | | | 753 | 803 | 753 | 803 | 85,628 | 7,785 | 30,125 | 133,905 | 414,340 | |
| March..... | 1,061 | 1,090 | 111 | 794 | 1,172 | 1,884 | 127,886 | 7,715 | 58,270 | 188,090 | 139,220 | 15,045 |
| April..... | 800 | 1,398 | 279 | 40 | 1,079 | 1,438 | 198,310 | 7,637 | 58,704 | 128,490 | 44,225 | 142,220 |
| May..... | 702 | 789 | 434 | 1,873 | 1,137 | 422 | 203,819 | | 54,045 | 115,721 | 253,145 | 9,235 |
| June..... | 815 | 738 | | | 815 | 738 | 162,586 | 30 | 68,115 | 203,670 | 258,585 | |
| July..... | | | | | | | 238,375 | | 55,370 | 150,325 | 294,335 | |
| August..... | | | | | | | 415,650 | | 64,910 | 134,275 | 333,180 | |
| September..... | | | | | | | 336,427 | 7,375 | 67,740 | 137,870 | 361,810 | |
| October..... | | | | | | | 429,211 | 5,953 | 107,010 | 149,755 | 380,284 | 89,135 |
| November..... | | | | | | | 365,165 | 4,280 | 75,765 | 149,170 | 54,235 | 241,295 |
| December..... | | | | | | | 396,310 | 7,430 | 38,940 | 122,645 | 138,310 | 171,895 |
| Totals..... | 3,907 | 902 | 1,912 | 576 | 5,819 | 1,478 | 3,013,528 | 44,465 | 730,479 | 1,738,411 | 2,994,114 | 668,765 |

Statement of Production and Cost of Coal for 1883.

| MINES. | TONS. | LBS. | PER TON. | COST. |
|---------------------|---------|-------|----------|----------------|
| | | | | |
| Carbon..... | 248,366 | 400 | \$1 20½ | \$298,710 38 |
| Rock Spring..... | 301,710 | 1,600 | 1 53 | 461,102 21 |
| Almy..... | 111,300 | 300 | 1 33 | 147,952 38 |
| Grass Creek..... | 47,219 | 300 | 2 14½ | 101,350 05 |
| Twin Creeks..... | 48,522 | 1,900 | 1 12½ | 54,571 36 |
| Total for 1883..... | 757,119 | 500 | \$1 40½ | \$1,063,686 88 |
| Total for 1882..... | 661,845 | 1,750 | \$1 46 | \$966,207 80 |
| Increase..... | 95,273 | 750 | 05½ | 97,478 58 |
| Decrease..... | | | | |

*Statement of Private Coal Sales during the Year
Ending December 31, 1883.*

| | TOTAL. | | TOTAL AMOUNT RECEIVED. |
|------------------------------------|---------|-------|------------------------------|
| | TONS. | LBS. | |
| Omaha..... | 38,221 | 394 | \$237,312 32 |
| Papillion..... | 594 | | 3,716 95 |
| Millard..... | 230 | 1,600 | 1,434 90 |
| Elkhorn..... | 151 | 100 | 906 00 |
| Waterloo..... | 308 | 1,300 | 1,884 55 |
| Valley..... | 93 | 200 | 586 40 |
| Stations on O. & R. V. R'y..... | 19,920 | 900 | 119,363 69 |
| Fremont..... | 7,205 | 100 | 41,472 20 |
| North Bend..... | 1,710 | 400 | 9,898 75 |
| Schuyler..... | 3,734 | 1,000 | 21,508 97 |
| Benton..... | 122 | 1,200 | 774 80 |
| Columbus..... | 2,608 | 400 | 15,822 45 |
| Stations on O. N. & B. H. R'y..... | 11,992 | 400 | 71,484 28 |
| Duncan..... | 94 | 1,000 | 568 55 |
| Silver Creek..... | 372 | 700 | 2,256 15 |
| Clarks..... | 819 | 1,900 | 4,914 40 |
| Central City..... | 1,667 | 800 | 10,104 65 |
| Chapmans..... | 549 | 200 | 3,397 15 |
| Grand Island..... | 7,515 | 1,390 | 45,012 17 |
| Stations on St. Joe. & W. R'y..... | 9,722 | 100 | 57,042 25 |
| Alda..... | 222 | 500 | 1,292 55 |
| Wood River..... | 808 | 1,000 | 4,819 25 |
| Shelton..... | 1,087 | 1,200 | 6,352 35 |
| Gibbon..... | 1,318 | 300 | 7,691 15 |
| Buda..... | 27 | 1,000 | 165 00 |
| Kearney..... | 4,560 | 100 | 26,922 90 |
| Elm Creek..... | 505 | 1,200 | 3,047 20 |
| Overton..... | 82 | 200 | 486 60 |
| Grothenburg..... | 89 | 1,400 | 515 75 |
| Plum Creek..... | 1,701 | 1,500 | 10,254 50 |
| Cozad..... | 243 | 1,500 | 1,443 20 |
| Willow Island..... | 51 | 1,200 | 309 60 |
| Maxwell..... | 42 | 1,000 | 255 00 |
| North Platte..... | 3,525 | 200 | 21,412 55 |
| Ogalalla..... | 83 | 1,400 | 502 20 |
| Stations on Julesburg Br..... | 42 | 1,800 | 300 20 |
| Sidney..... | 660 | 700 | 4,034 35 |
| Egbert..... | 28 | 400 | 155 10 |
| Cheyenne..... | 9,050 | 1,000 | 48,865 64 |
| Stations on Colorado Division..... | 12,214 | 1,800 | 34,747 79 |
| Denver..... | 32,062 | 1,700 | 86,052 75 |
| Tie Siding..... | 14 | 400 | 78 10 |
| Laramie..... | 5,968 | 1,600 | 29,401 85 |
| Wyoming..... | 41 | 1,000 | 228 25 |
| Rock Creek..... | 158 | 700 | 870 92 |
| Hillsdale..... | 10 | | 55 00 |
| Ft. Steele..... | 75 | 400 | 329 45 |
| Rawlins..... | 1,639 | 200 | 6,183 47 |
| Bitter Creek..... | 6 | 1,000 | 26 00 |
| Rock Spring..... | 13,321 | 600 | 33,953 91 |
| Green River..... | 765 | 1,400 | 3,064 80 |
| Carried forward..... | 198,043 | 484 | \$983,278 96 |

Statement of Coal Sales—Continued.

| | TOTAL. | | TOTAL AMOUNT RECEIVED. |
|--|---------|-------|------------------------------|
| | TONS. | LBS. | |
| Brought forward..... | 198,043 | 484 | \$983,278 96 |
| Granger..... | 26 | 600 | 131 50 |
| Stations on O. S. L..... | 1,529 | | 3,105 25 |
| Carter..... | 39 | 1,000 | 183 80 |
| Piedmont..... | 15 | | 60 00 |
| Hilliard..... | 11 | | 66 00 |
| Evanston..... | 2,996 | 1,800 | 7,457 46 |
| Echo..... | 10 | 1,000 | 42 00 |
| Stations on Echo and Park City R'y... | 6,161 | 600 | 28,370 42 |
| Weber..... | 380 | 400 | 1,628 27 |
| Uintah..... | 39 | 800 | 177 57 |
| Ogden..... | 8,740 | 200 | 39,901 90 |
| Stations on U. & N. R'y..... | 12,443 | 1,800 | 25,011 25 |
| Stations on Salt Lake & W. R'y..... | 3,589 | | 7,178 00 |
| Stations on U. D. from E. & L. mines.. | 11,133 | 1,300 | 47,196 04 |
| Kansas City..... | 198 | 700 | 1,190 10 |
| Stations bet. Wyandotte & J. City..... | 853 | 800 | 5,119 00 |
| Stations on Junction City Br..... | 791 | 1,800 | 4,719 20 |
| Abilene..... | 606 | 200 | 3,497 30 |
| Solomon..... | 398 | 800 | 2,286 00 |
| Stations on Solomon Br..... | 1,318 | 100 | 6,952 60 |
| Salina..... | 3,501 | 1,100 | 18,292 25 |
| Stations on McPherson Br..... | 4,011 | 900 | 21,956 50 |
| Bavaria..... | 320 | 1,600 | 1,646 30 |
| Brookville..... | 810 | 1,800 | 4,246 70 |
| Ellsworth..... | 1,373 | | 7,071 30 |
| Wilson..... | 262 | 1,600 | 1,327 60 |
| Dorrance..... | 150 | 1,600 | 754 00 |
| Bunker Hill..... | 327 | 1,600 | 1,639 00 |
| Russell..... | 935 | 1,200 | 5,076 00 |
| Gorham..... | 59 | 1,600 | 305 50 |
| Walker..... | 75 | 600 | 383 00 |
| Victoria..... | 27 | 600 | 163 80 |
| Hays..... | 820 | 1,400 | 4,474 10 |
| Ellis..... | 596 | 300 | 3,296 50 |
| Ogallah..... | 13 | 1,800 | 83 40 |
| Wa Keeny..... | 265 | 1,600 | 1,472 15 |
| Collyer..... | 59 | 1,600 | 321 60 |
| Buffalo Park..... | 48 | 800 | 242 00 |
| Grainfield and Deer Trail..... | 28 | | 168 00 |
| Stations on K. D. fm. E. & L. mines.. | 2,099 | 500 | 7,633 80 |
| | 265,118 | 1,584 | \$1,248,106 12 |
| Coal taken from the following mines: | | | |
| Carbon..... | 23,525 | 300 | \$117,777 30 |
| Rock Spring..... | 169,468 | 184 | 902,626 14 |
| Almy..... | 11,796 | 1,700 | 39,286 09 |
| Grass Creek..... | 7,094 | 1,900 | 30,062 68 |
| Twin Creeks..... | 196 | 500 | 439 75 |
| Erie..... | 13,856 | 1,900 | 43,770 41 |
| Louisville..... | 39,175 | 1,100 | 114,143 75 |
| Total..... | 265,118 | 1,584 | \$1,248,106 12 |

CLASSIFICATION OF MONTHLY EARNINGS FOR YEAR 1883.

| MONTH. | PASSENGER. | FREIGHT. | MAIL. | EXPRESS. | MISCELLANEOUS. | TOTAL. |
|----------------|----------------|-----------------|--------------|--------------|----------------|-----------------|
| January..... | \$272,303 60 | \$1,024,200 30 | \$61,484 80 | \$36,276 95 | \$28,988 92 | \$1,423,254 57 |
| February..... | 229,848 37 | 867,195 12 | 61,484 81 | 24,069 35 | 31,555 28 | 1,213,652 93 |
| March..... | 314,174 20 | 1,327,167 23 | 61,524 81 | 50,108 28 | 38,631 77 | 1,791,606 29 |
| April | 457,559 78 | 1,142,580 21 | 61,484 80 | 49,209 22 | 32,088 60 | 1,742,922 61 |
| May..... | 467,042 28 | 1,097,772 04 | 61,880 98 | 49,257 89 | 31,105 38 | 1,706,558 57 |
| June..... | 457,901 23 | 1,021,945 74 | 61,484 81 | 53,384 84 | 72,562 93 | 1,667,279 05 |
| July..... | 449,772 16 | 1,186,894 83 | 61,514 04 | 70,357 54 | 84,243 69 | 1,852,782 26 |
| August..... | 395,742 69 | 1,219,634 71 | 61,484 81 | 80,483 83 | 45,105 98 | 1,802,452 02 |
| September..... | 502,799 31 | 1,442,667 97 | 61,484 81 | 73,643 31 | 32,106 84 | 2,112,702 24 |
| October..... | 414,070 74 | 1,527,811 09 | 62,031 81 | 75,546 57 | 42,236 07 | 2,131,686 28 |
| November..... | 367,121 38 | 1,366,206 29 | 61,470 52 | 66,054 89 | 30,526 28 | 1,891,379 36 |
| December..... | 331,280 42 | 1,044,215 78 | 62,302 19 | 76,369 79 | 161,587 42 | 1,676,255 60 |
| Total..... | \$4,659,116 16 | \$14,268,291 81 | \$739,133 19 | \$705,261 96 | \$630,739 16 | \$21,002,541 78 |

CLASSIFICATION OF OPERATING EXPENSES FOR YEAR 1883.

| MONTH. | CONDUCTING TRANSPORTATION. | MOTIVE POWER | MAINTENANCE OF CARS. | MAINTENANCE OF WAY. | RENEWAL OF RAILS. | GENERAL EXPENSES. | TAXES. | TOTAL. |
|------------|-------------------------------|----------------|-------------------------|------------------------|----------------------|----------------------|--------------|-----------------|
| January.. | \$179,668 73 | \$303,168 62 | \$70,229 83 | \$90,597 92 | \$12,725 78 | \$42,491 95 | | \$673,431 27 |
| February. | 181,198 82 | 289,464 83 | 69,519 09 | 84,724 64 | 19,898 22 | 39,614 79 | \$14,392 98 | 658,956 93 |
| March.... | 191,948 69 | 304,125 45 | 76,909 94 | 130,305 72 | 8,408 24 | 50,273 68 | 651 96 | 745,807 20 |
| April..... | 182,442 12 | 288,574 64 | 66,843 27 | 160,494 79 | 10,336 04 | 43,517 10 | 195,248 99 | 926,784 87 |
| May..... | 208,251 49 | 266,069 83 | 60,277 56 | 178,501 42 | 29,566 24 | 64,859 91 | 110 24 | 807,636 69 |
| June..... | 208,118 89 | 288,738 85 | 64,217 00 | 167,622 78 | 19,302 68 | 38,543 07 | 3,954 92 | 785,498 19 |
| July..... | 212,693 20 | 311,896 45 | 63,341 20 | 169,143 33 | 21,725 93 | 42,812 89 | 2,251 06 | 823,864 06 |
| August... | 232,509 12 | 341,373 59 | 67,304 06 | 170,658 04 | 56,935 42 | 36,811 89 | 2,294 94 | 907,887 06 |
| Septemb'r | 246,674 20 | 335,775 38 | 69,563 25 | 186,372 47 | 87,633 98 | 35,123 95 | 2,502 20 | 963,665 43 |
| October .. | 259,681 49 | 340,060 90 | 77,867 15 | 180,076 51 | 44,414 46 | 52,509 33 | 96,785 08 | 1,051,394 92 |
| November | 249,936 03 | 356,672 35 | 80,150 65 | 191,445 15 | 31,280 67 | 40,969 22 | 114,391 19 | 1,066,845 26 |
| December. | 243,167 60 | 355,423 70 | 81,839 73 | 186,019 08 | 9,604 18 | 44,157 09 | 72,557 24 | 942,768 62 |
| Total... | \$2,596,280 38 | \$3,778,344 59 | \$848,062 73 | \$1,845,961 85 | \$249,115 28 | \$531,684 87 | \$505,140 80 | \$10,354,540 50 |

*Comparative Statement of Operating Expenses for
Years 1882, 1883.*

| | 1882. | 1883. |
|--|------------------------|------------------------|
| CONDUCTING TRANSPORTATION— | | |
| Superintendence, Dispatchers and Clerks. | \$76,700 17 | \$78,477 61 |
| Station Service | 761,057 03 | 821,982 93 |
| Station Expenses | 98,771 70 | 95,687 43 |
| Station Repairs and Furniture..... | 72,881 69 | 102,726 84 |
| Repairs of Tenement Houses and Hotels. | 10,099 51 | 41,861 87 |
| Train Service..... | 581,900 58 | 568,952 06 |
| Train Expenses | 242,424 00 | 289,587 84 |
| Advertising | 92,902 81 | 124,066 03 |
| Books, Printing and Stationery | 85,490 27 | 68,934 90 |
| Telegraphic Expenses..... | 6,160 88 | 8,625 18 |
| Loss and Damage..... | 123,295 15 | 119,191 33 |
| Foreign Agencies..... | 20,510 03 | 101,062 05 |
| Use of Cars | 176,309 19 | 150,312 51 |
| Incidentals..... | 43,995 71 | 24,760 80 |
| Total..... | \$2,392,498 72 | \$2,596,230 38 |
| MOTIVE POWER— | | |
| Superintendence and Clerks..... | \$17,531 49 | \$7,039 87 |
| Locomotive Service..... | 796,084 67 | 804,986 80 |
| Fuel and Water—Expenses and Repairs. | 237,559 16 | 194,672 02 |
| Fuel for Locomotives..... | 1,623,141 71 | 1,649,791 52 |
| Oil, Tallow and Waste..... | 46,239 45 | 51,259 52 |
| Repairs of Locomotives..... | 798,539 97 | 883,281 87 |
| Repairs of Shops and Machinery..... | 197,591 42 | 121,084 95 |
| Fuel for Engine Houses and Mach. Shops. | 52,021 80 | 63,814 69 |
| Incidentals..... | 7,178 80 | 2,413 35 |
| Total..... | \$3,775,888 47 | \$3,778,844 59 |
| MAINTENANCE OF CARS— | | |
| Superintendence and Clerks..... | \$8,915 87 | \$4,700 22 |
| Repairing Cars..... | 869,215 81 | 761,323 79 |
| Repairs, Car Shops and Sheds..... | 47,268 99 | 41,276 34 |
| Watchmen and Incidentals..... | 32,542 77 | 40,762 38 |
| Total..... | \$957,943 44 | \$848,062 73 |
| MAINTENANCE OF WAY— | | |
| Superintendence and Supervision..... | \$42,344 08 | \$41,417 45 |
| Repairs of Track..... | 994,205 32 | 1,016,323 05 |
| Expenses of Removing Snow, Ice, etc... | 28,399 95 | 38,164 65 |
| Renewal of Rails..... | 556,142 66 | 249,115 28 |
| Renewal of Ties..... | 490,352 05 | 370,753 55 |
| Repairs of Bridges, etc..... | 401,434 26 | 234,936 36 |
| Repairs of Fences, Crossings and Guards. | 51,395 67 | 85,009 07 |
| Repairs of Telegraph..... | 20,585 13 | 21,256 27 |
| Engineering..... | 37,666 75 | 26,490 86 |
| Protection of River Banks..... | 2,495 60 | 3,263 08 |
| Wrecking..... | 1,343 09 | 12,409 41 |
| Incidentals..... | 12,270 58 | 5,938 10 |
| Total..... | \$2,638,635 14 | \$2,095,077 13 |
| GENERAL EXPENSES— | | |
| Taxes..... | \$487,786 54 | \$505,140 80 |
| General Expenses..... | 474,296 97 | 531,684 87 |
| Total..... | \$962,083 51 | \$1,036,825 67 |
| Grand Total..... | \$10,727,049 28 | \$10,354,540 50 |

Statement Showing Renewals of Track During Year 1883.

| BETWEEN | Steel Rails. | Iron. | CROSS TIES. | | | |
|-----------------------------------|--------------|-----------|-------------|---------|---------|---------|
| | No. Tons. | No. Tons. | Oak. | Cedar. | Pine. | Total. |
| Council Bluffs and Cheyenne | 553 | 596 | 69,639 | 156,774 | | 226,413 |
| Cheyenne and Ogden | 523 | 330 | 61 | | 178,854 | 178,915 |
| Kansas City and Brookville | 33 | 678 | 63,682 | | | 63,682 |
| Brookville and Wallace | 3,102 | 13 | 43,520 | | | 43,520 |
| Wallace and Denver | 3,034 | 206 | 43,374 | | | 43,374 |
| Leavenworth and South Lawrence.. | | 160 | 7,340 | | | 7,340 |
| Denver and Cheyenne..... | 1,992 | 236 | 536 | | 48,362 | 48,890 |
| Total..... | 9,237 | 2,221 | 228,144 | 156,774 | 227,216 | 612,134 |

Comparative Statement of Passenger Earnings for Years 1882 and 1883.

| MONTH. | 1882. | 1883. | INCREASE. | DECREASE. |
|----------------|----------------|----------------|--------------|--------------|
| January..... | \$297,572 24 | \$272,303 60 | | \$25,268 64 |
| February..... | 306,958 12 | 239,848 87 | | 77,609 75 |
| March..... | 477,720 28 | 314,174 20 | | 168,546 08 |
| April..... | 484,795 75 | 457,559 78 | | 27,235 97 |
| May..... | 348,198 54 | 467,043 28 | \$118,843 74 | |
| June..... | 584,171 08 | 457,901 28 | | 76,269 85 |
| July..... | 507,876 31 | 449,772 16 | | 57,604 15 |
| August..... | 440,442 26 | 395,742 69 | | 44,699 57 |
| September..... | 553,095 51 | 502,799 81 | | 50,296 20 |
| October..... | 491,418 23 | 414,070 74 | | 77,947 49 |
| November..... | 404,296 23 | 367,121 88 | | 37,174 84 |
| December..... | 351,685 47 | 381,280 42 | | 20,405 05 |
| TOTAL..... | \$5,197,730 01 | \$4,659,116 16 | | \$538,613 85 |

| | |
|------------------------------------|---------------------|
| Commercial business decreased..... | \$508,995 44 |
| Government " | 29,618 41 |
| Total " | <u>\$538,613 85</u> |

Statement of Through and Way Passenger Earnings for the Year 1883.

| MONTH. | TOTAL EARNINGS. | THROUGH EARNINGS. | | WAY EARNINGS. | |
|-----------------|-----------------|-------------------|----------------|----------------|----------------|
| | | East. | West. | East. | West. |
| January | \$272,303 60 | \$68,780 40 | \$67,522 70 | \$64,125 84 | \$71,374 66 |
| February | 229,848 87 | 45,498 26 | 62,495 53 | 55,400 15 | 65,959 43 |
| March | 314,174 20 | 49,768 75 | 87,474 03 | 68,400 21 | 108,581 21 |
| April | 457,559 78 | 79,780 60 | 169,685 63 | 77,589 53 | 130,504 02 |
| May | 467,042 28 | 97,691 88 | 174,077 71 | 78,442 02 | 116,880 67 |
| June | 457,901 23 | 100,094 91 | 176,041 39 | 78,591 29 | 103,173 64 |
| July | 449,772 16 | 98,294 86 | 142,104 90 | 96,458 50 | 112,913 90 |
| August | 395,742 69 | 81,754 36 | 114,879 55 | 98,457 93 | 105,650 85 |
| September | 502,799 31 | 107,189 27 | 140,643 69 | 129,399 27 | 125,567 08 |
| October | 414,070 74 | 81,192 81 | 99,782 03 | 119,941 49 | 113,154 41 |
| November | 367,121 38 | 64,988 13 | 108,943 66 | 96,631 36 | 97,468 23 |
| December | 331,280 42 | 55,141 79 | 93,964 70 | 94,308 18 | 87,865 75 |
| TOTAL | \$4,659,116 16 | \$929,271 02 | \$1,437,615 52 | \$1,052,735 77 | \$1,289,493 85 |
| " 1882 | 5,197,769 96 | 1,198,518 80 | 1,688,517 74 | 1,064,009 97 | 1,296,723 95 |
| INCREASE | | | | | |
| DECREASE | | | | | |
| | \$538,653 80 | \$269,247 28 | \$200,902 22 | \$11,274 20 | \$57,230 10 |

Comparative Statement of Freight Earnings for the years 1882 and 1883.

| MONTH. | 1882. | 1883. | INCREASE. | DECREASE. |
|----------------|-----------------|-----------------|--------------|----------------|
| January..... | \$1,216,353 98 | \$1,024,200 80 | | \$192,153 68 |
| February..... | 939,980 01 | 867,195 12 | | 72,784 89 |
| March..... | 1,180,059 02 | 1,327,167 23 | \$147,108 21 | |
| April..... | 1,142,506 49 | 1,142,580 21 | 73 72 | |
| May..... | 1,366,333 51 | 1,097,772 04 | | 268,561 47 |
| June..... | 1,193,693 15 | 1,021,945 74 | | 171,747 41 |
| July..... | 1,020,263 91 | 1,186,894 88 | 166,635 92 | |
| August..... | 1,430,937 76 | 1,219,694 71 | | 211,303 05 |
| September..... | 1,672,570 12 | 1,442,667 97 | | 229,902 15 |
| October..... | 1,630,407 11 | 1,527,811 09 | | 102,596 02 |
| November..... | 1,438,293 52 | 1,366,206 29 | | 72,087 23 |
| December..... | 1,170,813 79 | 1,044,215 78 | | 126,598 01 |
| Total | \$15,402,167 37 | \$14,268,291 31 | | \$1,133,876 06 |

| | |
|------------------------------------|----------------|
| Commercial Business decreased..... | \$947,259 43 |
| Government | 18,690 14 |
| Company | 167,926 49 |
| Total | \$1,133,876 06 |

Comparative Statement of Freight Earnings, sub-divided as below, for the years 1883 and 1882.

| 1883. | LOCAL. | | THROUGH. | | PACIFIC COAST. | | COAL. | | TOTAL. |
|--------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|-------------|-----------------|
| | East. | West. | East. | West. | East. | West. | East. | West. | |
| January... | \$238,510 24 | \$269,872 22 | \$77,794 69 | \$84,890 80 | \$32,523 13 | \$123,054 35 | \$97,347 33 | \$5,821 40 | \$899,814 16 |
| February... | 203,463 63 | 238,608 69 | 43,918 51 | 88,128 40 | 40,974 27 | 114,868 71 | 55,844 57 | 2,466 25 | 788,273 03 |
| March..... | 279,946 91 | 335,043 17 | 82,232 47 | 160,890 36 | 45,646 48 | 225,738 29 | 32,357 39 | 2,882 47 | 1,214,227 54 |
| April..... | 176,318 77 | 394,953 60 | 56,243 90 | 115,053 27 | 41,961 53 | 221,145 74 | 30,853 77 | 2,802 18 | 1,039,332 76 |
| May..... | 189,125 29 | 408,581 79 | 50,065 29 | 101,275 33 | 41,639 74 | 176,208 27 | 31,442 32 | 2,295 24 | 1,000,633 27 |
| June..... | 196,752 98 | 350,586 75 | 55,891 35 | 84,273 00 | 78,462 50 | 137,076 73 | 27,985 73 | 1,218 20 | 932,247 24 |
| July..... | 274,551 23 | 387,753 26 | 80,877 05 | 87,534 23 | 74,398 84 | 144,657 99 | 36,648 33 | 1,084 02 | 1,087,504 95 |
| August... | 292,838 14 | 374,120 98 | 53,499 78 | 117,507 01 | 93,979 66 | 154,576 64 | 27,788 43 | 795 82 | 1,115,106 46 |
| September. | 519,259 79 | 416,674 55 | 53,615 66 | 96,376 02 | 98,903 37 | 100,305 27 | 40,245 37 | 1,573 07 | 1,327,013 10 |
| October.... | 457,475 50 | 472,574 88 | 67,150 43 | 121,833 44 | 103,204 27 | 119,441 73 | 58,304 69 | 3,238 38 | 1,403,223 32 |
| November.. | 361,469 39 | 332,371 11 | 81,476 21 | 97,533 74 | 63,849 91 | 136,717 03 | 92,461 37 | 2,798 40 | 1,218,677 16 |
| December.. | 276,735 10 | 292,783 73 | 48,270 41 | 48,161 64 | 42,380 66 | 100,732 38 | 101,204 15 | 3,219 00 | 913,487 07 |
| Total, 1883. | \$3,466,446 97 | \$4,373,924 73 | \$751,025 75 | \$1,203,457 24 | \$757,924 36 | \$1,754,583 13 | \$602,483 45 | \$29,694 43 | \$12,939,540 06 |
| Total, 1882. | 2,396,274 35 | 4,201,946 97 | 1,037,399 02 | 2,895,768 77 | 843,041 72 | 1,903,431 54 | 507,050 38 | 120,576 88 | 13,905,489 63 |
| Increase.... | \$1,070,172 62 | \$171,977 76 | \$286,373 27 | \$1,692,311 53 | \$85,117 36 | \$148,848 41 | \$55,433 07 | \$90,882 45 | \$965,949 57 |
| Decrease... | | | | | | | | | |

Comparative Statement showing the rate per ton per mile of Freight carried during the years 1883 and 1882.

| | 1883. | | 1882. | | INCREASE. | | DECREASE. | |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. | INCLUDING COAL. | EXCLUDING COAL. |
| LOCAL— | | | | | | | | |
| Eastbound.... | \$1 44 | \$1 99 | \$1 52 | \$2 07 | | | \$0 08 | |
| Westbound... | 2 88 | 2 88 | 3 10 | 3 14 | | | 0 22 | 0 26 |
| Average..... | 1 94 | 2 40 | 2 19 | 2 64 | | | 0 25 | 0 24 |
| THROUGH— | | | | | | | | |
| Eastbound... | | 1 43 | | 1 69 | | | | 0 26 |
| Westbound... | | 1 73 | | 2 68 | | | | 0 95 |
| Average..... | | 1 60 | | 2 33 | | | | 0 73 |
| PACIFIC COAST— | | | | | | | | |
| Eastbound.... | | 1 35 | | 1 30 | | \$0 05 | | |
| Westbound... | | 1 32 | | 1 12 | | 0 20 | | |
| Average..... | | 1 33 | | 1 17 | | 0 16 | | |
| TOTAL— | | | | | | | | |
| Eastbound.... | 1 43 | 1 76 | 1 51 | 1 77 | | | 0 08 | 0 01 |
| Westbound... | 2 07 | 2 07 | 2 19 | 2 14 | | | 0 12 | 0 07 |
| Average..... | 1 73 | 1 93 | 1 89 | 2 03 | | | 0 16 | 0 10 |

Statement of Through and Way Passenger Statistics for the Year 1883.

| MONTH. | THROUGH PASSENGERS. | | | | WAY PASSENGERS. | | | | TOTAL PASSENGERS. | TOTAL ONE MILE. |
|--------------|---------------------|------------|---------|------------|-----------------|------------|----------|------------|-------------------|-----------------|
| | East. | One Mile. | West. | One Mile. | East. | One Mile. | West. | One Mile. | | |
| January..... | 8,315½ | 1,987,484 | 3,459 | 2,229,072 | 25,593½ | 1,722,352 | 25,157½ | 1,721,480 | 57,525½ | 7,670,388 |
| February.... | 2,794 | 1,489,599 | 3,222 | 2,130,701 | 24,588 | 1,493,025 | 25,722½ | 1,775,998 | 56,326½ | 6,889,323 |
| March..... | 3,447½ | 1,580,586 | 4,572½ | 3,079,068 | 33,088½ | 1,777,486 | 37,369 | 2,996,129 | 78,057½ | 9,433,269 |
| April..... | 4,746 | 2,431,589 | 7,243½ | 5,577,364 | 31,467½ | 1,996,527 | 38,323½ | 3,580,189 | 81,780½ | 13,585,669 |
| May..... | 5,142 | 3,199,119 | 7,792 | 5,982,092 | 37,634½ | 2,152,590 | 34,966½ | 3,332,739 | 85,525 | 14,616,540 |
| June..... | 4,937½ | 2,988,581 | 7,840 | 5,785,453 | 38,644 | 2,355,892 | 46,631 | 3,054,566 | 98,052½ | 14,184,492 |
| July..... | 5,729½ | 3,493,229 | 7,050½ | 4,850,862 | 79,773 | 2,910,565 | 78,181½ | 3,450,554 | 170,734½ | 14,705,210 |
| August..... | 7,160 | 3,545,333 | 6,731 | 4,478,934 | 46,750 | 3,236,440 | 49,372 | 3,590,458 | 109,018 | 14,851,165 |
| September... | 7,558 | 3,970,256 | 8,058 | 4,478,378 | 64,338 | 4,181,796 | 65,680½ | 4,070,737 | 145,634½ | 16,701,217 |
| October..... | 6,105 | 2,993,447 | 6,878½ | 3,958,723 | 50,369½ | 3,342,171 | 51,597½ | 3,104,644 | 115,050½ | 13,898,985 |
| November... | 4,219 | 2,372,096 | 5,817½ | 3,960,007 | 41,893 | 2,783,161 | 43,652 | 2,794,867 | 95,511½ | 11,910,131 |
| December.... | 3,824 | 2,031,457 | 5,262 | 3,476,930 | 42,341½ | 2,839,727 | 41,345 | 2,669,346 | 92,772½ | 11,017,450 |
| TOTAL..... | 58,978 | 32,092,776 | 74,016½ | 49,937,574 | 515,991 | 80,791,732 | 536,998½ | 36,141,757 | 1,185,984 | 148,963,839 |
| " 1882.. | 61,876½ | 36,532,339 | 84,296½ | 56,106,831 | 395,691½ | 28,551,273 | 439,655 | 36,316,894 | 981,419½ | 157,527,336 |
| INCREASE.... | 2,898½ | 4,439,563 | 10,280 | 6,169,257 | 120,399½ | 2,240,460 | 97,343½ | 175,137 | 204,564½ | 8,563,497 |
| DECREASE.... | | | | | | | | | | |

*Comparative Statement of the Number of Tons of Freight carried One Mile, during the Years
1883 and 1882.*

| 1883. | LOCAL. | | THROUGH. | | PACIFIC COAST. | | OTAL. |
|---------------------|-------------|-------------|------------|-------------|----------------|-------------|-------------|
| | East. | West. | East. | West. | East. | West. | |
| January | 10,112,225 | 9,197,591 | 5,068,240 | 4,507,262 | 3,068,830 | 10,208,047 | 43,156,885 |
| February | 10,352,454 | 8,747,282 | 3,508,757 | 3,875,668 | 3,098,123 | 9,087,305 | 38,619,539 |
| March | 12,949,003 | 13,885,371 | 4,968,905 | 6,559,264 | 3,324,478 | 14,135,499 | 55,822,520 |
| April | 7,808,184 | 13,152,566 | 3,435,393 | 5,353,662 | 2,801,039 | 15,196,747 | 47,237,591 |
| May | 8,807,392 | 12,968,251 | 3,059,069 | 4,172,989 | 3,262,255 | 13,070,170 | 45,359,116 |
| June | 9,451,693 | 11,271,495 | 3,538,704 | 3,977,374 | 5,111,783 | 10,281,602 | 43,612,656 |
| July | 10,865,541 | 12,871,844 | 5,215,372 | 6,166,994 | 5,401,168 | 10,756,401 | 50,297,320 |
| August | 19,719,153 | 14,058,895 | 8,389,696 | 6,380,856 | 6,745,860 | 10,418,015 | 60,712,465 |
| September | 22,632,898 | 13,795,675 | 4,303,814 | 5,988,053 | 7,217,959 | 8,382,059 | 62,320,248 |
| October | 25,784,597 | 15,764,731 | 5,241,394 | 6,757,045 | 7,815,878 | 10,293,756 | 71,657,401 |
| November | 18,070,008 | 13,910,045 | 5,966,917 | 10,227,568 | 4,713,863 | 11,882,727 | 64,771,728 |
| December | 18,114,911 | 12,205,431 | 4,669,006 | 6,699,761 | 3,477,479 | 8,912,044 | 54,078,632 |
| Total | 174,188,044 | 151,849,727 | 52,354,057 | 69,666,496 | 56,063,215 | 132,554,372 | 638,645,911 |
| Add Coal Sold | 108,310,018 | 1,033,066 | | | | | 109,343,104 |
| Total, 1883 | 282,498,062 | 152,882,813 | 52,354,057 | 69,666,496 | 56,063,215 | 132,554,372 | 745,989,015 |
| Total, 1882 | 190,567,639 | 139,374,040 | 61,099,652 | 108,001,123 | 64,981,634 | 168,816,916 | 732,791,054 |
| Increase | 91,930,373 | 13,508,773 | 8,745,595 | 38,334,627 | 8,898,419 | 36,202,544 | 13,197,961 |
| Decrease | | | | | | | |

*Comparative Statement of Classified Freight, in
pounds, forwarded during the Years 1883
and 1882.*

| ARTICLES. | 1883. | 1882. |
|--------------------------------|----------------|----------------|
| MINERAL PRODUCTS— | POUNDS. | POUNDS. |
| Coal..... | 814,197,975 | 699,920,950 |
| Stone and Brick..... | 88,489,535 | 41,523,240 |
| Cement, Plaster and Lime..... | 49,456,905 | 26,989,245 |
| Salt..... | 38,843,905 | 32,978,135 |
| Metallie Ores..... | 150,970,665 | 42,303,450 |
| Other and Coke..... | 70,295,185 | 133,340,675 |
| AGRICULTURAL PRODUCTS— | | |
| Wheat..... | 469,727,035 | 404,266,475 |
| Corn..... | 782,224,985 | 537,621,010 |
| Oats and Barley..... | 95,010,365 | 76,957,470 |
| Rye, Flax Seed, &c..... | 33,975,845 | 18,421,350 |
| Hay..... | 59,041,810 | 66,749,000 |
| Potatoes and Vegetables..... | 57,198,000 | 55,803,705 |
| GROCERIES— | | |
| Canned Goods..... | 46,167,890 | 48,755,665 |
| Soap and Candles..... | 12,621,335 | 12,948,705 |
| Sugar, Syrup, &c..... | 56,301,715 | 51,176,450 |
| Tea..... | 24,606,990 | 23,350,980 |
| Coffee..... | 6,575,220 | 7,878,530 |
| Other..... | 58,171,100 | 58,848,165 |
| HARDWARE AND METALS— | | |
| Hardware..... | 65,965,660 | 54,421,790 |
| Nails..... | 23,575,105 | 19,194,915 |
| Stoves..... | 17,904,345 | 17,568,225 |
| Steel Rails..... | 703,285 | 23,320,045 |
| Bar Iron, &c..... | 12,181,665 | 12,044,815 |
| Other Iron..... | 43,322,920 | 57,110,570 |
| Steel, Copper, &c..... | 7,698,080 | 5,487,485 |
| Tin and Quicksilver..... | 3,823,855 | 4,575,460 |
| Lead..... | 39,695,590 | 27,043,580 |
| Bullion..... | 137,591,785 | 115,769,410 |
| Matte and Tailings..... | 26,971,045 | 18,464,380 |
| LEATHER AND RUBBER— | | |
| Boots and Shoes..... | 7,759,170 | 9,812,845 |
| Leather and Leather Goods..... | 4,405,895 | 6,022,520 |
| Rubber Goods..... | 2,146,660 | 3,302,585 |
| HIDES, WOOL, &c.— | | |
| Hides, Pelts, &c..... | 10,873,715 | 11,558,295 |
| Furs..... | 584,060 | 657,655 |
| Wool..... | 30,301,360 | 31,253,000 |
| LIVE STOCK— | | |
| Cattle..... | 262,445,900 | 231,712,295 |
| Hogs..... | 109,412,135 | 73,287,320 |
| Horses and Mules..... | 19,310,980 | 17,029,495 |
| Sheep..... | 28,345,390 | 20,244,380 |

LIQUORS—

| | | |
|---------------------------|------------|------------|
| Whiskey, Spirits, &c..... | 16,706,410 | 19,115,150 |
| Wine and Brandy..... | 8,179,495 | 8,969,300 |
| Beer, Ale and Porter..... | 20,595,240 | 19,686,140 |

MILITARY AND NAVAL STORES—

| | | |
|-----------------------------|-----------|-----------|
| Powder, Cartridges, &c..... | 3,784,685 | 3,605,525 |
| Tar and Pitch..... | 1,551,925 | 2,419,225 |
| Rope and Cordage..... | 4,206,595 | 5,504,855 |

PROVISIONS—

| | | |
|------------------------------|------------|------------|
| Hog Products..... | 44,609,690 | 34,771,140 |
| Beef..... | 2,003,275 | 952,545 |
| Fish and Game..... | 10,284,285 | 12,616,250 |
| Poultry..... | 129,280 | 242,010 |
| Butter, Eggs and Cheese..... | 10,358,410 | 9,660,400 |

WOOD AND MANUFACTURES OF WOOD—

| | | |
|--------------------------------|-------------|-------------|
| Agricultural Implements..... | 46,996,235 | 40,073,510 |
| Vehicles..... | 40,525,925 | 42,195,210 |
| Lumber, Timber, &c..... | 529,930,540 | 446,878,620 |
| Shingles, Lath and Staves..... | 17,153,230 | 13,639,695 |
| Wood..... | 10,920,325 | 14,173,840 |
| Charcoal..... | 1,281,320 | 3,846,200 |
| Manufactured Wood..... | 11,557,810 | 13,502,915 |
| Wood in Shape..... | 5,757,515 | 6,895,855 |
| Barrels and Casks..... | 6,381,200 | 5,564,605 |

MISCELLANEOUS—

| | | |
|--------------------------------|------------|------------|
| Drugs and Borax..... | 13,990,865 | 15,918,290 |
| Oil..... | 57,647,640 | 70,450,260 |
| Paint and Varnish..... | 5,992,530 | 6,932,760 |
| Window Glass..... | 3,652,540 | 4,335,300 |
| Glassware and Crockery..... | 17,502,960 | 21,751,105 |
| Dry Goods..... | 38,431,325 | 70,005,725 |
| Silk..... | 3,463,820 | 2,638,140 |
| Fancy Goods..... | 2,927,080 | 4,191,030 |
| Hats and Millinery Goods..... | 1,928,650 | 2,601,645 |
| Green Fruit..... | 35,148,190 | 31,291,305 |
| Dried Fruit and Nuts..... | 10,985,650 | 11,724,585 |
| Flour..... | 99,714,295 | 69,361,625 |
| Meal, Feed, &c..... | 31,527,115 | 24,248,150 |
| Furniture and H. H. Goods..... | 46,871,310 | 51,118,815 |
| Emigrant movables..... | 32,432,740 | 17,409,290 |
| Machinery..... | 34,373,470 | 36,632,955 |
| R. R. Material..... | 6,071,975 | 9,382,680 |
| R. R. Vehicles..... | 11,825,885 | 13,038,965 |
| Musical Instruments..... | 3,991,600 | 4,169,890 |
| Paper..... | 19,480,620 | 24,366,635 |
| Books and Stationery..... | 4,360,785 | 5,150,405 |
| Tobacco..... | 9,899,110 | 15,468,765 |
| Cigars and Pipes..... | 1,645,450 | 2,396,470 |
| Trees, Shrubbery, &c..... | 3,080,540 | 3,241,565 |
| Bones..... | 3,741,245 | 2,644,850 |
| Merchandise..... | 71,489,260 | 41,432,700 |
| Miscellaneous..... | 32,589,395 | 37,840,905 |

| | | |
|------------|---------------|---------------|
| Total..... | 5,166,573,995 | 4,203,271,065 |
|------------|---------------|---------------|

| | | |
|---------------|-------------|--|
| Increase..... | 963,302,930 | |
|---------------|-------------|--|

REPORT
OF THE
GOVERNMENT DIRECTORS
OF THE
Union Pacific Railway Company,
MADE TO
SECRETARY OF THE INTERIOR.

1883.

NEW YORK:
RUFUS ADAMS & CO.,
STATIONERS AND PRINTERS,
167 BROADWAY.

UNION PACIFIC RAILWAY COMPANY, GOVERNMENT DIRECTORS' REPORT.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

A communication from the Secretary of the Interior, accompanying last annual report of the Government Directors of the Union Pacific Railway Company.

FEBRUARY 7, 1884.—Referred to the Committee on Pacific Railroads and ordered to be printed.

To the Senate and House of Representatives :

I transmit herewith, for the consideration of Congress, a communication, under date of the 2d instant, from the Secretary of the Interior, and the accompanying last annual report of the Government Directors of the Union Pacific Railway Company.

CHESTER A. ARTHUR.

EXECUTIVE MANSION, *February 6, 1884.*

DEPARTMENT OF THE INTERIOR,
Washington, February 2, 1884.

SIR: I have the honor to submit herewith, for transmission to Congress, the last annual report, without date, of the Government Directors of the Union Pacific Railway Company.

Very respectfully,

H. M. TELLER,
Secretary.

The PRESIDENT.

To the Honorable Secretary of the Interior :

In our last annual report we had occasion to refer to certain misapprehensions existing in the minds of some of the officers of the Union Pacific Railway Company concerning the functions of the Government Directors, it being their opinion that the powers and duties formerly intrusted to the Government Directors had been conferred upon the Commissioner of Railroads by the law creating that office, and that the

former were accordingly left without either duties or powers. These misapprehensions were speedily removed, however, and we had the satisfaction of reporting to the Department that, after some little delay growing out of them at the beginning of our official labors, we were granted all the facilities possible for the performance of our work, and were assisted therein by the cordial co-operation of the Company's officers.

Having corrected the erroneous impression of the managers, that we hold a merely honorary position without duties or powers, we find ourselves confronted by a misapprehension of precisely the opposite character, on the part of sundry persons claiming to have an interest in the company's affairs, as holders of its stock or bonds or as general creditors. Among these we find a disposition to enlarge our duties and magnify our powers and responsibilities. In illustration of this we may refer to a memorial addressed to the Department of the Interior on the 14th of March last, immediately after the publication of our report, a copy of which was furnished us by sundry persons representing the bondholders of the Kansas Pacific Railway Company and Denver Pacific Railway and Telegraph Company, both of which companies now form a part of the Union Pacific Railway Company under the consolidation of January 24, 1880.

The memorialists, after setting forth their complaint that the Union Pacific Railway Company, by the act of consolidation, by refusing to make a statement in full of divisional earnings and in various other ways, had wrongfully deprived them of their rights as bondholders of the companies named, and stating that, although the courts are open to them practically, the delays, annoyances, and cost attendant upon litigation constitute a denial of redress, proceed to define the duties of the Government Directors, which they say are "alike to represent and protect the interests of the Government proper, but none the less to conserve the general public interest, treating the entity of the Government as but in the highest sense the whole body of the people, whether as bondholders, stockholders, passengers, shippers of freight, or those in anywise interested in the wise, proper, and honest administration of the company's affairs." It is then assumed, although credit is given us for "having made an effort to elicit some information from the Union Pacific Company as to its financial condition," and for having brought out some facts and statistics that had never before seen the light, that our "effort was far from successful," and that upon the whole we have fallen short in the discharge of our official duties, and the memorialists ask the co-operation of the Department "in at least calling upon the Government Directors to extract from this unwilling and obstreperous corporation the information and recognition to which we (the memorialists) are entitled."

It is not necessary that we should follow the memorialists in their recital of the history of the corporation from the inception of the original enterprise, or that we should concern ourselves with what are called "the scandals" of its management. If the originators of the enterprise, after having conquered by their energy and persistence obstacles that seemed insuperable, were pursued with obloquy and reproach, it is not the first time that the discoverer or inventor has experienced such returns from the beneficiaries of his foresight, faith, and courage. It is quite possible, too, that in the transactions of the many prior to the consolidation of January 24, 1880, all its business was not carried on upon the basis of the heroic virtues. Unfortunately, that very little of the world's business is.

We have not, however, conceived it to be any part of our duty to investigate the antecedents of the present corporation, or question the legality and binding force of acts which have already been passed upon by the proper tribunals.

In justice to the gentlemen concerned in the present management of the company, it is only fair to say, that we have observed nothing in our connection with them to warrant the charge of obstreperousness or unwillingness to communicate information. A certain degree of reticence is observed in the management of all business affairs, great and small, by those who have them in charge. In the conduct of affairs of such magnitude, involving extensive combinations and many times business relations of a delicate nature with other companies, it frequently happens that the success of important transactions may be jeopardized by premature publicity. This is wisely guarded against in most corporations by intrusting the administration to an executive committee composed of those directors who have the leisure for such duties and the capacity to discharge them, their own pecuniary interest in the enterprise being the guarantee of their good faith, and an assurance that they will act in all matters for the interest of the stockholders. This has been the practice in the Union Pacific Railway Company. The administration of its affairs has been practically conducted by an executive committee of five members of the board of directors, one of whom, under the charter, must be a Government Director.

The wisdom of this arrangement does not need to be pointed out to any one at all familiar with the management of great corporations. In the present case it would not be surprising, considering the fact that one member of the executive committee is an appointee of the Government, without any personal pecuniary interest, and not having the inducement naturally created by such an interest to maintain a prudent reserve, if in affairs of considerable moment he should be to some extent ignored, and important negotiations should be begun and carried on without consultation with him and even without his knowledge. Recognizing this natural tendency on the part of a board of direction constituted like that of the Union Pacific Railway Company, and believing it to be our duty, as representatives of the Government in the direction, to acquaint ourselves with the details of the management, as far as possible, through our representative in the executive committee, we have insisted that he should have ample notice of all meetings of the committee and a full knowledge of all its transactions. Except, perhaps, in a single instance, our wishes in this regard have been fully complied with, and even in this we are not prepared to say that it was seriously attempted to withhold from our representative in the committee knowledge of the pending transaction or to consummate it without consulting him.

The instance referred to was in the proposed ratification of a contract in the nature of a tripartite alliance with the Chicago and Rock Island and Chicago, Milwaukee and Saint Paul Railroad Companies concerning through business, which will be hereafter more fully set forth. This was by far the most important transaction of the year.

The ruinous competition on through traffic to which the company has been subjected by rival roads, which practically paralleled the main line of the Union Pacific from Omaha to Ogden, cutting rates to ruinous figures between these points, while dividing under a pooling arrangement with the Iowa roads the profitable traffic between Omaha and Chicago, forced the Union Pacific to enter into an alliance, offensive and defensive, with such other roads as would practically extend its line to Chicago,

and give it a fighting chance against its rivals. The negotiations leading up to such an arrangement were intrusted to General Manager Clark, whose long experience, well-known ability, and thorough familiarity with the company's affairs, as well as with the condition and prospects of the country traversed by the road, peculiarly fitted him for the task. It was not only entirely proper that this negotiation should be conducted without publicity, but it was absolutely essential to their success. The contract finally agreed on was conditioned upon the approval of the executive committee.

At the quarterly meeting of the directors in New York, on the 12th of December, 1883, at which this matter first came up, all the Government Directors were present; but of the full Board there was one less than a quorum, consequently no business was done. It being understood that the contract referred to was at that time waiting the action of the executive committee, the meeting adjourned, from time to time, until a quorum could be obtained and the contract acted upon by the full Board instead of by the executive committee alone. Pending this the Government Directors, at a full meeting on the 12th of December, took action on the subject, and the secretary under instructions, forwarded to the secretary of the general Board, Mr. H. McFarland, the following:

At a meeting of the Government Directors of the Union Pacific Railway Company held at the company's office in New York, December 12, it was unanimously

Voted, That we protest against the ratification of the proposed contract with the Rock Island and Saint Paul roads until it has been submitted to, and approved by, the Board of Directors of the Union Pacific Railway Company.

ISAAC H. BROMLEY,
Secretary.

This action was deemed necessary at the time on account of rumors in circulation concerning the character of the contract which seemed to us to make it of the highest importance that it should be submitted to the full Board of Directors instead of being ratified by the executive committee alone. The result was that at a meeting of the Board reached by successive adjournments on December 20, every member being present except Vice-President Atkins, the contract was submitted and approved by a unanimous vote.

In the conduct of this transaction there is no reason to believe that the executive committee had any intention of usurping the functions of the full Board. By vote of the Board the committee are clothed with full power and authority to perform this and similar acts, and they were only following established precedents. The proceeding seemed to us, however, to be of such importance as to require greater deliberation and more formal action, and the steps above described were accordingly taken.

In no other case has there appeared any disposition on the part of the executive committee to conceal anything from us, or withhold any information concerning their transactions or the condition and prospects of the road.

Our representative in the executive committee has had reasonable notice of all meetings of the committee, and has attended those at which any business other than of a routine character has been transacted.

At the meeting of November 24, at which the January dividend was declared, in order to satisfy himself that the dividend had been earned and that the rumors circulated by interested parties touching the com-

pany's financial condition were without foundation, he asked and received a detailed statement of the earnings and estimated income for the remainder of the quarter from the books of the company, which showed a surplus of \$542,585.51 over the dividend.

We believe that herein we have faithfully discharged our duty to the Government and the company, and fulfilled our functions under the charter and the laws. While we assent, in general terms, to the avowal of the memorialists above referred to, that our duty is "to conserve the general public interest, treating the entity of the Government as but in the highest sense the whole body of the people," we do not by any means accept their implied construction that it is part of our duty to supervise minute details of administration, arbitrate between the company's officers and agents and the public who are their customers, or use our official position in aid of individuals or corporations who have grievances against the management, or are engaged in controversies for the proper settlement of which the legal tribunals are open.

THE "TRIPARTITE ALLIANCE."

The situation which gave rise to the alliance of the three roads named in the tripartite agreement may be stated in a few words. The extension of the Chicago, Burlington and Quincy and Northwestern roads into and through Nebraska, and the connection of one of these with the Denver and Rio Grande at Denver, thence to Ogden, where it connects with the Central Pacific, brought those roads into direct competition with the Union Pacific throughout the whole extent of its main line, and over considerable portions of its branch system to Northern Nebraska. By an arrangement known as the Iowa pooling agreement both these rival roads were enabled to draw their pro rata share of all the freight earnings arising from the connection with the Union Pacific at Council Bluffs. So that the Union Pacific was placed at the great disadvantage of having, as competitors for through traffic, roads which could well afford to cut rates to a ruinous figure between competing points, the loss on this traffic being met by the pro rata division of earnings upon the profitable Iowa business. With two competing lines pursuing this policy and constantly extending their communications to other competitive points, there was manifestly no course open to the Union Pacific except to enter into an alliance with one more of the roads included in the Iowa pool, whereby it could have some of the advantages of that arrangement instead of allowing it to be used by its rivals for the destruction of its own business.

The way to such an arrangement seemed open through an alliance upon the terms mutually advantageous with the Rock Island and Saint Paul roads, and this was accordingly sought.

The original contract, dated the 5th of December, 1883, was made between the Union Pacific Railway Company, of the one part, and the Rock Island and Milwaukee and Saint Paul Companies, of the other part. A supplemental contract extends the privileges of the same to other companies similarly situated, who will make a similar traffic contract. The contract is very voluminous, being full of details to carry out its provisions. Its material provisions may be condensed and outlined as follows:

It recites their several systems of railways, and that they desire to establish and maintain a closer alliance than has heretofore existed, whereby there may be secured to each the friendly co-operation of all the others in all reasonable and lawful, ways, in developing and protect-

ing traffic over the through lines composing a portion of the railways of the parties, and reducing the expenses attending such development and protection, and the management and operation of their several lines. It provides for the establishment and operation, for the purpose of transportation of freight, of through lines, which shall connect, when the same can be done by reasonable direct line through Council Bluffs, all points on the system of the Union Pacific with all points on the system of the other parties, with a few exceptions. The parties reciprocally covenant that they will, as far as they lawfully can, deliver to the railways of each other at Council Bluffs all through traffic received for transportation to any points on the lines of the respective parties, which can be reached with reasonable directness over any through lines composed of the railroads of the parties to the agreement, passing through Council Bluffs. Each party covenants with the other to maintain its railway in good condition; that through traffic shall be way-billed through; that each shall control the movement of its own trains, and the time schedules shall be adjusted to make close connections. Each party has the right to fix its own rates as before the contract was made, but if a cut-rate is made, which is defined by the agreement to be a rate lower than the prevailing or published rate, for the purpose of diverting and controlling traffic, then either party to the said agreement may make an immediate reduction of the rates charged by the through line established by the agreement, to meet the cut-rate of the other party. On through rates for certain described east-bound traffic from or to Chicago points the Union Pacific gets forty per cent., and the other parties sixty per cent.; to Mississippi River points the Union Pacific forty-seven per cent., and the other parties fifty-three per cent. For certain described traffic it is provided the rates shall be prorated between the parties upon the basis of the mileage over which such traffic shall be transported, counting every actual mile of the Union Pacific as one and a half, with certain exceptions, and every mile of the other roads as one mile. The contract provides machinery for rendering and keeping accounts such as are usual in traffic contracts, and provides for the adjustment of disputes by arbitration.

The contract, as already stated, came up before the full Board at the meeting of December 20. Its provisions were read and explained, and its ratification met with no opposition from any quarter. The Government Directors, having inquired into the legality of its provisions, received the following letter from the general solicitor of the company, the Hon. John F. Dillon:

NEW YORK, *December 19, 1883.*

DEAR SIR: In answer to your inquiry on behalf of the Government Directors of the Union Pacific Railway Company, I have to state that I have examined the agreements of the Union Pacific and Rock Island and Saint Paul Companies, dated December 5, 1883, and I see nothing therein which violates the charter of the company, and that as the counsel for the company I advised its officers and directors, if they deemed the contracts advantageous to the company (as they did), to enter into the protective and defensive traffic arrangements therein contemplated.

I am truly yours,

JOHN F. DILLON,

General Solicitor of the Union Pacific Railway Company.

City of New York.

your vote of the directors, the general
all proper measures to induce the other
with the Northwestern, the Chi-

cago, Burlington and Quincy, the Wabash, Saint Louis and Pacific, the Sioux City and Pacific, and the _____, to come into the arrangement upon the same or similar terms.

At the date of the submission of the report it is not known what action these roads will finally decide upon, but it seems obvious that a union of all the roads interested upon some such basis as the one proposed would be much more advantageous to all, and to the general welfare, than a continuance of the ruinous competition. A railroad war, in which rates are cut below the point where freight can be carried at a profit, is destructive to the business interests of the community no less than to the corporations immediately concerned. Merchants and others engaged in trade at points on the Union Pacific and beyond, where the effects of this kind of competition have been felt, have already begun to see that frequent changes in freight rates, even where they result in bringing charges down to unprofitably low figures, are in the end disastrous to the stability and permanence of existing industries and business interests, by disturbing values and leading to overstocking the market.

Steady and fixed rates, even though they are high, are much more conducive to a healthy and prosperous business condition than the unsettled and fluctuating rates, however low, which are brought about by the competition of rival roads. It is confidently hoped that the contract above referred to will be accepted as the basis of a permanent arrangement between all the roads concerned, and that under it the roads will do a profitable business, while the communities along their lines will derive permanent benefit therefrom.

FUNDED DEBT.

The following is a statement of the funded debt of the company, after deducting bonds held in trust and bonds in the sinking fund June 30, 1882, and June 30, 1883, as given us by the officers of the company:

| Bonds. | June 30, 1882. | June 30, 1883. | Decrease. | Increase. |
|--|-----------------|-----------------|--------------|--------------|
| First mortgage, Union Division..... | \$27,229,000 00 | \$27,229,000 00 | | |
| Land grant, Union Division..... | 5,257,000 00 | 4,623,000 00 | \$634,000 00 | |
| Sinking Fund, Union Division..... | 13,861,000 00 | 13,861,000 00 | | |
| Collateral trust, Union Division..... | 4,983,000 00 | 4,852,000 00 | 131,000 00 | |
| Omaha Bridge..... | 1,888,000 00 | 1,805,000 00 | 83,000 00 | |
| Consolidated, Kansas Division..... | 15,450,005 00 | 15,640,005 00 | | \$190,000 00 |
| Eastern Division, Kansas Division..... | 2,240,000 00 | 2,240,000 00 | | |
| Middle Division, Kansas Division..... | 4,063,000 00 | 4,063,000 00 | | |
| Denver Extension, Kansas Division..... | 6,256,000 00 | 6,125,000 00 | 131,000 00 | |
| Leavenworth Branch, Kansas Division..... | 67,000 00 | 67,000 00 | | |
| First land grant, Kansas Division..... | 52,500 00 | | 52,500 00 | |
| Second land grant, Kansas Division..... | 1,000 00 | | 1,000 00 | |
| Income, Kansas Division..... | 76,050 00 | 76 050 00 | | |
| Income, subordinated, Kansas Division..... | 959,900 00 | 806,350 00 | 153 550 00 | |
| Coupon certificates, Kansas Division..... | 59,598 75 | 13,575 00 | 46,023 75 | |
| Cheyenne Branch Bonds..... | 65,000 00 | 47,000 00 | 18,000 00 | |
| Trust five per cent..... | | 2,500,000 00 | | 2,500,000 00 |
| Total..... | 82,508,033 75 | 83,947,980 00 | 1,250,073 75 | 2,690,000 00 |
| Net increase..... | | | | 1,339,926 25 |

INVESTMENTS AND INCOME THEREFROM.

The following statement shows the investment accounts and the income derived from the same:

| | Bonds at par. | Stocks at par. |
|---|-----------------|-----------------|
| Amount of bonds and stocks held as investments, not applied in statement of floating debt, June 30, 1883..... | \$14,978,930 40 | \$31,080,250 00 |
| Securities held by the trustees under the Kansas Pacific Railway Company (consolidated mortgage)..... | 3,156,000 00 | 1,875,300 00 |
| Securities held by the trustees under the Union Pacific Railroad 6 per cent. trust..... | 6,065,000 00 | ..... |
| Securities held by the trustees under the Union Pacific Railway 5 per cent. trust..... | 2,778,000 00 | ..... |
| Total..... | 26,977,930 40 | 32,955,550 00 |
| From these investments, amounting at their face value to \$59,933,-480.40, the company derived an income during the year of..... | | \$2,171,962 85 |
| And from other investment accounts, such as coupons collected from company bonds owned by the company, company sinking funds in hands of trustees, &c., there was received..... | | 109,793 50 |
| Making a total of..... | | 2,281,756 35 |

FLOATING DEBT.

In our last report attention was called to certain apparent discrepancies between the statement of the floating debt in the report of the Commissioners of Railroads and that made by the company's officers. These arose, as was pointed out, "partly from differences of opinion as to what properly constitutes an offset to a floating debt, and partly from differences in bookkeeping and in the method of tabulation." Without entering again into the discussion of the question as to what are proper offsets, concerning which the same differences of opinion continue, we have thought best to present in the following table the floating debt statement in both forms. The floating debt, under the company's view, it will be seen, has been reduced \$4,524,097.15, while the offsets, under the same view, have diminished only \$903,869.35, a net reduction of \$3,620,227.80. This large reduction has been effected by pursuing the policy recommended in our last report.

Floating debt, under the United States Railroad Commissioners view, and under the company's view, June 30, 1882, and June 30, 1883.

| Items. | June 30, 1882. | June 30, 1883. |
|--|----------------|----------------|
| Bills payable..... | \$3,679,707 61 | \$3,399,000 00 |
| Pay rolls and voucher..... | 2,239,866 99 | 2,136,862 10 |
| Accounts payable..... | 4,033,317 27 | 663,386 58 |
| Totals under the Commissioners view..... | 10,754,891 87 | 6,199,248 68 |
| Under the company's view there should be added: | | |
| Interest on first mortgage bonds including July 1 coupons..... | 1,229,385 00 | 1,229,364 99 |
| Interest on other funded debt, including July 1 coupons..... | 213,989 90 | 239,848 32 |
| Dividends unpaid, including July 1 dividend..... | 1,123,371 14 | 1,137,528 77 |
| Called bonds not presented for payment..... | 47,000 00 | 39,000 00 |
| Making the gross unfunded debt..... | 13,368,587 91 | 8,844,490 76 |
| Against which the resources of the company, excluding investment accounts, and bonds and stocks of other companies, applicable thereto, were as follows: | | |
| Cash..... | 1,570,039 16 | 1,714,202 06 |
| Accounts receivable..... | 2,278,404 95 | 2,618,826 57 |
| Company stocks and bonds owned by the company..... | 2,250,940 02 | 2,149,865 83 |
| Sinking fund in hands of trustees..... | 47,000 00 | 39,000 00 |
| Bills receivable..... | 67,564 50 | 96,832 50 |
| Due from other companies on act of traffic, balances..... | 415,531 08 | 148,056 80 |
| Fuel, material, and stores on hand..... | 3,963,345 92 | 2,720,162 47 |
| Total resources, as stated..... | 10,592,815 58 | 9,688,946 23 |
| Floating, or unfunded debt..... | 2,775,772 33 | ..... |
| Excess of resources over floating debt..... | ..... | 844,455 47 |
| Reduction of floating debt within the year..... | ..... | 3,620,227 80 |

STOCK AND BONDS OWNED.

The following is the statement in detail of the stocks and bonds owned by the company referred to under the head of "Floating debt," as having been deducted from that debt with other offsets:

Statement of company stock and bonds owned by the company, the amount of which has been deducted from the floating debt, June 30, 1883.

| | Par. | Amount. |
|--|----------------|----------------|
| Kansas Division: | | |
| Consolidated bonds..... | \$1,872,000 00 | \$1,871,950 00 |
| Subordinated income bonds..... | 88,600 00 | 91,911 53 |
| Not subordinated income bonds..... | 27,700 00 | 26,849 00 |
| Omaha bridge bonds..... | 5,000 00 | 5,181 35 |
| Kansas Division coupon certificates..... | 135 00 | 135 20 |
| Denver Extension bonds..... | 37,030 00 | 35,701 25 |
| Union Pacific Railway and constituent companies' stocks..... | 160,150 00 | 114,157 50 |
| Total..... | ..... | 2,149,865 83 |

FEEDING LINES.

The policy of strengthening the road by extending aid, by all legal means, to branch roads which should be operating as feeding lines constituting with the main line a single system, has never been seriously disputed, although the opponents of the road and persons interested in rival enterprises have made it cause for adverse criticism and attempted, in one or two instances, to obstruct the operations of the company by

raising questions as to the legality of such a course and the validity of the acts done in pursuance of it. It is not denied by the company's officers that some of these feeding lines under their control have been run at apparently a small temporary loss. But they insist that in the real gain to the road from developing new territory, sale of lands, increase of business, &c., as well as in the certainty that the most unpromising of them will, in a very short time, be sources of profit, is greater than the present temporary loss, which is only apparent. A comparison of the earnings and expenses of those lines in the years ending June 30, 1882, and June 30, 1883, shows a very decided improvement in the business of those roads. A very marked case is that of the Omaha, Niobrara and Black Hills Road, which in 1882, was operated at a loss of \$6,525.36, but for 1883, showed a profit of \$102,883.62.

The other three roads which were operated at a small loss in 1882, showed in 1883 very decided gains in earnings, and there is no reason to doubt that in a very short time they too will be not only self supporting, but a source of profit.

If anything further were needed to vindicate the wisdom of the policy of constructing feeding lines, it is shown by the fact that while the earnings of the main line have fallen off during the past year from a variety of causes, but chiefly because of the opening of rival routes and the competition in rates, the deficiency has been almost made good by the increase in earnings of the branch roads of the system.

This increase is gradual, but constant and healthy, and is of the utmost promise for the future. Without the feeding roads the main line, now practically paralleled for its entire length from Omaha to Denver and Ogden, would have seriously suffered from the ruinous competition to which it has been subjected. We continue of the opinion expressed in our last report, that the construction and operation of the feeding lines have been of incalculable value to the road in rendering it in some measure independent of competing routes for through business.

Since our last report there has been a considerable extension of the Oregon Short Line. This road leaves the main line at Granger, and is intended to connect with a road now in process of construction from Portland, Oreg., eastward by the Oregon Railway and Navigation Company. With this company a contract exists for building their road to the point of connection with the Short Line, and there is also a satisfactory traffic contract for the period of fifteen years. The Oregon Short Line has been completed, and the track laid for a distance of a little over 500 miles, with 51 miles of branch line. There remain about 25 miles to be built, all of which has been graded, and the iron for its completion is already on the ground. A few weeks' labor will finish the road as far as the company has agreed to build.

The western end of the line, or portion belonging to the Oregon Railway and Navigation Company, has been delayed from one cause and another, and will not be finished as soon as the Oregon Short Line on account of very heavy work and intense cold weather. The road will not, therefore, be open for through business until spring or early summer, when through trains will be run from Omaha to Portland.

It having been intimated that these delays were intentional on the part of the Oregon Railway and Navigation Company, President Dillon addressed a communication to Mr. Villard, then president of the company, making inquiries concerning it. To this communication the following answer was returned:

A.

NEW YORK, December 21, 1883.

DEAR SIR: In reply to your inquiries, I beg to state that this company is pushing the work on the Boise Branch, which will connect our main line with your system at the Snake River, with all possible dispatch and vigor. We have already completed 111 miles, which brings the track to the eastern slope of the Blue Mountain range, and includes the most difficult work on the line. More than 60 miles of the remainder of the line have been graded, and we are continuing the work vigorously in spite of the severity of the season. We have already expended nearly two-thirds of the cost of the entire line, and our interest, of course, requires that we make this investment productive at the earliest possible moment.

I beg further to confirm to you that the existing traffic contract, under which a direct connection with the city of Portland, Oregon, and a proper share of the Oregon and Washington Territory business is assured to you, will be strictly carried out.

Yours, truly,

H. VILLARD,

*President Oregon Railway and Navigation Company.*SIDNEY DILLON, Esq., *President.*

There is no doubt in the mind of President Dillon that the arrangements referred to in the above letter will be faithfully carried out under the new management of the Oregon Railway and Navigation Company.

Questions having arisen concerning the policy of building the Oregon Short Line, it is proper to say that we are informed that the road, though incomplete, is paying from its present business the interest on its bonds, which seems to settle all questions concerning the wisdom of the enterprise.

EARNINGS AND EXPENSES.

The following table, furnished by the company's officers, shows the earnings and expenses of the main line and branches for the ten months ending October 31, 1882, and October 31, 1883:

Earnings and expenses of the road and operated lines for the ten months ending October 31, 1882.

| Ten months, 1882. | Union Pacific Railway. | All other branches. | Total Union Pacific Rail- way and branches. |
|---|---------------------------|------------------------|--|
| Earnings | \$18,982,228 86 | \$6,160,776 30 | \$25,093,005 16 |
| Expenses | 8,816,606 84 | 4,189,260 31 | 13,005,867 15 |
| Surplus earnings | 10,115,622 02 | 1,971,515 99 | 12,087,138 01 |
| Monthly average of miles of road operated | 1,820 9 | 2,018.1 | 3,839 |

Earnings and expenses of the road and operated lines for the ten months ending October 31, 1883.

| Ten months, 1883. | Union Pacific Railway. | All other branches. | Total Union Pacific Rail- way and operated lines. |
|---|---------------------------|------------------------|---|
| Earnings | \$17,434,906 82 | 7,187,149 69 | 24,622,056 51 |
| Expenses | 8,344,926 62 | 4,885,471 95 | 13,230,398 57 |
| Surplus earnings | 9,089,980 20 | 2,301,677 74 | 11,391,657 94 |
| Monthly average of miles of road operated | 1,820.9 | 2,519.9 | 4,340.8 |

The earnings and expenses of the Central Branch Union Pacific Railroad and of the Nevada Central Railway are not included in above statement.

One of the immediate advantages gained by the improvement in the material condition of the road, of equipment, road-bed, rails, &c., will be perceived by a glance at the comparative statement of earnings and expenses of the past two years, from which it will be seen that the decrease in running expenses has been proportionately very much larger than the falling off in earnings, so that while there has been a perceptible decrease in gross earnings, the economies which have been made possible by the improved condition of the road and equipment have been such as to show an increase in the net earnings or surplus.

The decrease in gross earnings of the road for the year is due to several causes which lie near the surface, and against which it was not in human foresight to provide. In the first place, there has been less railroad building in the territory west of the Missouri River and on the line of the road during the past than in preceding years, and of course a consequent diminution of freight traffic in the carrying of materials and transportation of laborers, provisions, &c. The opening of new lines has brought competition, and one of the results of which has of course been the diversion of a portion of the business to other roads, and another and more damaging, the cutting of rates, by which the revenues were diminished.

The opening of rival lines to the Pacific coast has naturally drawn upon the passenger business of the road. When so much of the travel is by tourists and for pleasure, the curiosity to visit new sections of the country and see the new routes of travel naturally attracts passengers, and it was to be expected that the new condition of transcontinental communication would affect in greater or less degree the business of the road. But it may be said that in compensation for the diversion of freight and passengers to other roads there has been such an increase in the whole volume of through business that the shrinkage has been much smaller than the managers had been led to expect. In anticipation of the effect upon business of the opening of the competing lines, care was taken not to increase the freight equipment to the extent to which it would have otherwise been enlarged. The shrinkage has, however, been so much less than was anticipated that the freight equipment has been constantly taxed to its utmost capacity. The diminution in earnings from this source results accordingly almost exclusively from the cutting of rates.

In order to inform ourselves more fully concerning the effect of competition upon the business and income of the road we addressed specific inquiries to Secretary McFarland in September last. That officer, in response to our request, communicated upon the subject with E. P. Vining, Esq., the freight traffic manager at Omaha, whose reply, which will be found very full and interesting, was as follows :

UNION PACIFIC RAILWAY COMPANY,
OFFICE OF E. P. VINING, FREIGHT TRAFFIC MANAGER,
Omaha, October 10, 1883.

DEAR SIR : Replying to your favor of the 12th ultimo, to which my absence from Omaha has prevented earlier attention, I would respectfully call attention to the following facts :

| | |
|--|----------------|
| In 1877 our freight earnings from Pacific coast business were..... | \$2,530,416 55 |
| In 1878 they were..... | 2,724,664 42 |
| In 1879 they were..... | 2,621,872 56 |

In 1880 the through line formed of the A., T. and S. F. and the Southern Pacific was opened for business, and as during a part of the year we had the only rail line, and during the remainder of the year were subject to rail competition, no reliable judgment could be based upon the results of the year's business, although it was a fact that our earnings from this business during the year were materially greater than they had been during any former year.

In 1881 the earnings were even larger than in 1880.

The opening up of the through line formed by the Texas and Pacific and the Southern Pacific about the first of January, 1882, brought another competitor into the field and reduced our earnings to about their old figure. In 1882 our earnings from the business were \$2,746,473.26, which it will be seen is slightly in excess of the amount earned any year before we had rail competition.

Notwithstanding the completion of the line formed by the G. H. and S. A. and the Southern Pacific; that formed by the C. B. and Q., D. and R. G. and the Central Pacific, and the more recent competition of the Northern Pacific, we have continued to earn about as much from the Pacific coast business as we did in the years when we had no rail competitors, our earnings for the first nine months of the year 1883 (official for all but September, and estimated for that month from the face of the way bills) being \$2,020,000.

Each new line has had the tendency to build up new business. The Southern lines have, for instance, built up a large business at Los Angeles, which is now the central supply point for Southern California and much of Arizona; and yet the trade of San Francisco has increased, notwithstanding the new competition which it meets from Los Angeles.

So, too, the completion of the Northern Pacific will undoubtedly build up a largely increased business at Portland, while it is not likely that the business of San Francisco will decrease.

The numerous rail lines now competing for Pacific coast business make more serious inroads upon the former "clipper" business than it was possible for the Union Pacific to make when acting alone, and a large part of the business of the new lines is therefore taken from the clipper lines rather than from the Union Pacific.

The trade of the Pacific coast is also constantly growing, so that although we now obtain a smaller proportion of the Pacific coast business than we did in years gone by, that smaller proportion of an increased business still pays us as much money as we ever received from the business before we had rail competition.

Stated briefly it may be said that the opening up of competing lines has had the effect of depriving us of the growth in business and the increase in earnings which we would have had if these lines had not been opened, but that they have not deprived us of anything that we had before such other lines were opened.

Notwithstanding the numerous lines now competing for the business, our natural advantages are such that we have steadily held much more than one-half of the total business, and we can probably continue to take more than the aggregate taken by all our competitors.

The competition with clipper lines had been such that our rates had been placed at as low figures as any rail line could well afford to make, and therefore none of the new lines have found it practicable to attempt any further reductions in rates.

Hence we have not had to suffer the reduction in average rates per ton per mile which often results from new competition.

Yours, very truly,

E. P. VINING,
Freight Traffic Manager.

HENRY MCFARLAND, Esq.,

Treasurer Union Pacific Railway Company, P. O. Box 5287, Boston.

DIVIDENDS.

The regular quarterly dividends of one and three-quarters per cent. has been declared from the earnings of the road and branches, and has been paid without impairment of the surplus. At the meeting of the executive committee at which the last quarterly dividend was declared, Mr. Haven, the Government Director serving on the committee, asked for a statement of earnings upon which the dividend was made. In response to his request the following estimate, based upon actual returns already in hand, was furnished :

Estimated "income" for the quarter ending with December 31, 1883.

| | | |
|---|--------------------|--------------------|
| Gross earnings..... | \$5,766,521 71 | |
| Operating expenses and taxes, 46.54 per cent..... | 2,683,739 20 | |
| Surplus earnings..... | | \$3,082,782 51 |
| Income from investments..... | | 400,000 00 |
| | | <hr/> 3,482,782 51 |
| Interest on bonds..... | 1,300,000 00 | |
| Less amount to be received from trustees K. P. consolidated mortgage..... | 150,000 00 | |
| | <hr/> 1,150,000 00 | |
| Sinking fund requirements..... | 75,000 00 | |
| United States requirements..... | 600,000 00 | |
| Miscellaneous expenses, interest, premiums, &c.... | 50,000 00 | |
| | <hr/> | <hr/> 1,875,000 00 |
| Balance applicable to dividends..... | | 1,607,782 51 |
| Dividend at 1½ per cent.. | | 1,065,197 00 |
| | | <hr/> |
| Surplus over dividend for the quarter..... | | 542,585 51 |

The general depression in business during a portion of the time giving rise to a doubt whether the earnings of the company would come up to the estimates, it may not be amiss to add thereto the following statement of the earnings for November, the last attainable at the time of closing our report. It shows, as will be seen, a small increase over the corresponding month of the previous year:

Earnings for November.

| Year. | Earnings. | Expenses. | Surplus. |
|---------------|----------------|----------------|----------------|
| 1882..... | \$2,711,916 81 | \$1,690,861 14 | \$1,021,055 67 |
| 1883..... | 2,731,722 58 | 1,708,884 41 | 1,022,838 17 |
| Increase..... | 19,805 77 | 18,023 27 | 1,782 50 |

MILEAGE ALLOWANCES.

The construction mileage allowances to the branch roads of the system have not been changed, and are the same as set forth in our last report, to wit:

Omaha and Republican Valley Railroad is allowed 1½ miles per mile.

Omaha, Niobrara and Black Hills is allowed 1½ miles per mile.

Saint Joseph and Western is allowed 1½ miles per mile.

Echo and Park City is allowed 2 miles per mile.

Greeley, Salt Lake and Pacific is allowed 2 miles per mile.

Julesburg Branch Colorado Central is allowed 1½ miles per mile.

Colorado Central, standard gauge, is allowed 1½ miles per mile.

Utah Northern Railway is allowed 1½ miles per mile.

Oregon Short Line Railway is allowed 1½ miles per mile.

We repeat that in our judgment these allowances are not excessive or unusual, but seem to be just and equitable, and based upon the value of the business brought to the main line of the connecting roads.

The company continue their complaint that the Government, against decision of the courts, applies not only the earnings of the main line

for Government service, but the earnings for Government service of the whole system (branch and feeding lines included) to the payment of the Government debt.

FREIGHT AND PASSENGER RATES.

The following table shows the average rates charged passengers and freight per mile, from the commencement of 1881 to the close of June, 1883 :

| Passengers. | 1881 and 1882. | First six months, 1883. |
|-------------------------------|----------------|-------------------------|
| Through .....cents per mile.. | \$0 03 | \$0 03.0632 |
| Way .....do..... | 03½ | 03.6461 |
| FREIGHT PER TON PER MILE. | | |
| Local, including coal..... | 02.35 | \$0 02.19 \$0 02.10 |
| Local, excluding coal..... | 02.76 | 02.64 02.59 |
| Through..... | 02.53 | 02.33 01.92 |
| Pacific coast..... | 01.26 | 01.17 01.33 |
| Average, including coal..... | 01.88 | 01.89 01.86 |
| Average, excluding coal..... | 02.09 | 02.03 02.05 |

FAST TRAINS.

In our last report we expressed the opinion that the opening of competing through lines on each such would make it necessary for the company to shorten materially the running time of through trains, so that the time from Omaha to San Francisco might be reduced by from twenty-four to thirty six hours.

No change was made in the rate of speed until July 1, 1883, when, in accordance with our suggestion, a new time schedule went into effect between Council Bluffs and Ogden, by which the through time was reduced about twelve hours each way and an additional train was put on, making two daily trains each way between those points. This was not met, however, by a corresponding increase in train-service or shortening of time by the Central Pacific from Ogden to San Francisco, so that the only advantage gained by the traveling public is in the twelve hours saved on the Union Pacific between Omaha and Ogden. A special advantage is gained by passengers on the emigrant trains, the emigrant cars, which were formerly attached to the freight trains and still are in the Central Pacific, being now drawn by regular passenger trains at a considerable faster rate of speed.

THE PULLMAN CAR CONTRACT.

No new contract with the Pullman Car Company has yet been definitely entered into, but we are informed that negotiations are in progress and that it is quite probable that an arrangement will be agreed upon in a short time by which the Union Pacific will be insured a much larger revenue than it has hitherto derived from this source.

DIVERSION OF BUSINESS TO OTHER ROADS.

At the annual meeting of the directors in March last, on motion of one of the Government Directors, it was—

Resolved, That the United States Commissioner of Railroads be requested to make investigation and report as to the effect of the construction or purchase

by the Central Pacific Railroad of through roads and direct lines of travel in the West and of the Central Pacific Railroad of through travel and direct lines of travel in the West of both the Central Pacific and Union Pacific Railroads and of other matters affecting the interests held by the United States in the West and in the Pacific.

The Committee on the Pacific Railroad in answer to the above resolution, reported that the subject should receive proper consideration and the same report was referred to the Committee with special reference to the project of a waterway between the Government may have in the matter. We are not sure what action was taken, but the subject seems to us to be one that may require consideration as affecting the present condition of the roads and their ability to meet their obligations to the Government.

CONDITION OF LAND GRANT.

The reports of the Government Directors for previous years have, as a rule, contained no reference to the land department of the company or the condition of the land grant. The operations of the department being much the same from year to year, varying only with the natural and gradual increase of sales from the planting of new enterprises and the growth of population, there has seemed to be no need of special investigation in this direction. The revenue therefrom has been constant, with an easily computed natural annual increment, and the receipts have been applied to the extinguishment of the land-grant bonds.

Deeming it a matter of sufficient interest and importance to warrant more particular inquiry concerning it, especially since it is proposed to ask further legislation looking to the more speedy disposal of lands and consequently to a more rapid development of the vast extent of unoccupied land along the line of the road, we have taken pains to obtain from the land department such information concerning the present condition and prospects of the land grant as, in our judgment, seemed necessary for a fair understanding of the subject.

The original land grant to the Union Pacific embraced, as near as may be estimated, about 11,200,000 acres. The grants to the Kansas Pacific and Denver Pacific embraced about 7,004,000 acres, making a total of 18,204,000 acres in the original land grants to the consolidated company. This was unquestionably a magnificent gift from the Government. It is more than an imperial domain. It has not infrequently been made an occasion for reproach of the projectors of this great work and their successors, that they accepted such an endowment and took from the hands of the Government this vast amount of public land as the price of their enterprise.

This may not be the place to enter into a discussion of the question whether the projectors of the road were overpaid, or whether in their bargain with the Government the advantage was with them. We cannot refrain from remarking, however, that the policy of granting lands on either side of this transcontinental railway line, and granting them too on a grand and liberal scale, has been more than justified by the history of the road and of the States and Territories traversed by it. Looked at simply in the light of the figures; considering merely the number of acres bestowed, it seems like an enormous gift. Taken in connection with the fact that it was given in aid of an enterprise from which the projectors were hopeful in the end of deriving a profit independently of the subsidy, it might seem like reckless prodigality and waste on the part of the Government. It suits the purposes of demagogues so to consider it, and the consequence has been that the inter-

ests of the company, and incidentally of the Government, have been made to suffer from a groundless clamour against the corporation and its management. But large as the land grant is, profitable as it has been to the grantees, and valuable as it continues to be as a steady source of revenue, nothing can be clearer than that it owes its chief value to the great line of communication upon which it is located, and the enterprise, intelligence, and energy of those who brought it into market and made it available for occupation. We believe it to be capable of demonstration, that the General Government has already more than made good to itself the actual value of the whole grant at the time it was made, in the enhanced value of the alternate sections reserved to itself, by the opening of the road and the development of the lands that would otherwise have long remained unoccupied and waste. In discussing the magnificence of this gift from the Government as if there were no consideration for it, and the men who obtained it had in some way gained an unfair advantage, the conditions existing at the time it was made are lost sight of, and the circumstances attending it too often forgotten. For this thing was not done in a corner. It should be remembered not only that the grant was made after protracted discussion and careful deliberation with the full knowledge of the American people, but that the condition upon which it was made, to wit, the building of the Pacific Railroad, was generally believed to be so improbable of fulfillment as practically to make it void and of no effect. The projectors of the road were at that time objects rather of sympathy as the victims of visionary speculations than of envy on account of their advantageous bargain. Outside of the great public benefit of the road as a means of communication with the Pacific coast, the Government was more than willing to pay this price for the opening up, settlement, and bringing into market of its own vast extent of unoccupied and unmarketable lands lying west of the Missouri River. The land grant, considering existing conditions and the stupendous results which must accrue from the fulfillment of the condition upon which it was made, was not prodigal or extravagant. It was a fair business transaction in which a large price was paid for taking large risks with the prospect of very large returns. Any individual owner of extensive tracts of unoccupied and practically useless land who should transfer half the same upon similar conditions would be considered a shrewd business man. Such an individual, if after having profited by the transaction in the enhanced value and more rapid sales of his own share, he should complain that his grantee had also obtained large returns from a comparatively small investment, would receive little sympathy. In the case of the General Government, however, it is the fashion to assume that it has been imposed upon or cheated, if those who have dealings with it seem to have reaped any unusual profit from the transaction.

From this view, in this particular case at least, we take leave to dissent. The opening of the Pacific Road, which was the condition upon which this land grant was made, has been, as hardly need be pointed out, of incalculable benefit to the country. It has not merely brought the two coasts of the continent into close communication, but it has been the means of a more rapid development of the country's resources than it was possible twenty years ago for the imagination to conceive. One has but to consider for a moment the vast extent of territory opened to settlement, redeemed from waste, and devoted to pastureage or tillage, the enormous increase of agricultural products therefrom, the utilization of extensive tracts of grazing land and the tremendous volume of traffic flowing through the arteries of trade and commerce

from these so lately unoccupied places, to realize something of the benefits which have accrued to the Government from its liberal land grants. If the corporation has profited by them, the country also has been an enormous gainer.

We are able to say concerning the administration of this property, that we have every reason to believe that it has been prudent and wise, having in view the best interests not only of the company, but of the Government, and of the communities and people among whom the lands are located.

The original grant of the Union Pacific was as follows:

| | Acres. |
|--------------------------------|-------------------|
| Acres granted in Nebraska..... | 4,762,174 |
| Acres granted in Wyoming..... | 4,582,520 |
| Acres granted in Utah..... | 1,107,520 |
| Acres granted in Colorado..... | 688,900 |
| Total acres..... | 11,141,114 |

CHARACTER OF LANDS GRANTED.

| | |
|---|-------------------|
| General estimate in round numbers: | Acres. |
| Agricultural lands in grant..... | 3,500,000 |
| Grazing lands in grant..... | 7,300,000 |
| Coal lands..... | 400,000 |
| Total in round numbers..... | 11,200,000 |

Of these remain unsold 8,877,892.81 acres, which may be classed as follows:

| | Acres. |
|-------------------|------------------|
| Agricultural..... | 1,000,000 |
| Grazing..... | 7,477,842 |
| Coal..... | 400,000 |
| | 8,877,892 |

These unsold lands lie within the limits of—

| | Acres. |
|---------------|---------------------|
| Nebraska..... | 2,580,000 |
| Colorado..... | 690,000 |
| Wyoming..... | 4,580,000 |
| Utah..... | 1,027,892.81 |
| | 8,877,892.81 |

The grants to the Kansas Pacific Railway Company, to the Denver, Pacific Railway and Telegraph Company, embraced about 7,004,000 acres; the net sales amount to 1,767,274.42 acres; leaving unsold 5,236,725.58 acres.

These unsold lands may be classed as follows:

| | Acres. |
|-------------------|---------------------|
| Agricultural..... | 625,000 |
| Grazing..... | 4,611,725.58 |
| | 5,236,725.58 |

These lands are situated within the States of Kansas and Colorado.

All lands within the grant in Nebraska west for 215 miles are sold and disposed of, and United States patents taken out or applied for, for all lands west of the 100th meridian, thus rendering the same taxable, to the benefit of the various communities in which they lie, and of the company, by increasing the value of taxable property along its line. Present sales of agricultural lands are made as far west as Keith County, 350 miles from the Missouri River, and will undoubtedly continue west

ward till increasing elevation, character of soil, and absence of moisture preclude successful cultivation. Even when the natural moisture supply fails, successful agricultural operations might be conducted over a large extent of country now rated as grazing and waste lands, provided artificial water supplies by artesian wells or otherwise could be furnished. The solution of this problem, through Congressional aid or otherwise, would redound to the material benefit of the sections of country where the lands lies, and of the railway company through settlement, development, and population. Meanwhile a large extent of country, representing millions of acres, comprising both railroad and Government lands, are actually valueless so far as returns therefrom are concerned. They are occupied by large bodies of cattle, and the ranches and trifling improvements incident thereto; all of which occupation is of an unsettled and shifting character, and produces no definite or satisfactory result.

Included in the classification of grazing lands above are nearly 1,000,000 acres of rugged and partially forest-covered lands as yet unsurveyed, and of which survey, at present Government rates, is impracticable, together with a large body of sage brush and sandy lands, as yet of little avail for even grazing purposes, but which in part may in future be utilized for this purpose, or under the possibilities of irrigation become of some use agriculturally. These waste lands lie chiefly in Utah and Western Wyoming; the so called grazing lands in Central and Eastern Wyoming, Northern Colorado, and Western Nebraska, and the agricultural lands in Central and Eastern Nebraska.

There have been sold and disposed of in round numbers of the whole grant about 4,000,000 of acres for the sum of about \$15,500,000. The methods of sale are for cash, with a discount of 10 per cent. on five or ten years' time, in instalments of one-fifth or one-tenth, with annual interest at the rate of 6 per cent. on deferred payments.

The proceeds of sales and collections are remitted directly to the trustee for the land-grant bondholders and by him applied in cancellation of the land-grant bonds.

Of the original Union Pacific issue of \$10,400,000 it is understood some \$5,800,000 have been cancelled. Upon the full cancellation of all land-grant bonds, and liquidation of the land-grant mortgage, the sinking fund mortgage, so called, becomes a lien upon all remaining lands. Concerning the Kansas Pacific and Denver Pacific issue we are without definite data.

The company's estimate of the character and value of the remaining lands of the Union Pacific grant may be thus stated :

| | |
|---|-------------|
| Agricultural, 600,000 acres, at \$3 per acre..... | \$1,800,000 |
| Grazing, 7,700,000 acres, at \$1 per acre..... | 7,700,000 |
| Coal, 400,000 acres, at \$20 per acre.. | 8,000,000 |
| Estimated value of unsold lands..... | 17,500,000 |

Lands designated as agricultural are those within the limit, chiefly in Nebraska, where agriculture is deemed practicable rather than where it has yet been fully demonstrated.

The value of grazing lands is considered with reference to some favorable action concerning Government lands intervening, rather than the prices they might bring if now offered for sale.

The coal lands are estimated at the price for which coal lands are sold by the Government, but their present and prospective value to the company far exceeds the price named. Being situated on the mountain division of the road, where there is the largest consumption of fuel, they are of the greatest advantage for locomotive supplies, at the same time

that they furnish coal for the Wood River mining district, which is transported over the Oregon Short Line, and for the mining districts of Montana, which goes over the Utah Northern Road.

Land Commissioner Burnham thinks that the major portion of the agricultural lands can probably be disposed within a year, leaving for consideration the disposition of the grazing lands heretofore described. While there is yearly an undoubted gradual westward extension of the moisture belt, and other climatic changes which must in time include within the agricultural area many of the above designated lands, their present and immediate use is only for grazing purposes, and if they are to be presently disposed of it must be with this object in view. In favor of the disposition may be urged the fact that they at present bring little or no revenue to the company, except from the transportation of cattle shipped over the road, though grazed upon and occupied by large quantities of live stock passing over these and the Government lands alike. The present inclination of the cattle interests is toward ownership of the range inclosure by fencing of the same, and the better and closer development of stock, all of which is, if not rendered impracticable, greatly embarrassed by the existence of alternating Government sections.

In connection with this subject we are in reception of a communication from President Dillion, from which, as giving his views, we quote as follows :

It has been a maker of frequent discussion in the board and elsewhere with the Government and other directors as to the necessity for legislation to enable the company and the Government advantageously to dispose of the non-agricultural lands within the limit of the land-grant to the Union Pacific Railway, that is, lands familiarly termed grazing lands. It is known to everybody that a very considerable portion of the land-grant is in arid regions not susceptible of cultivation, where the lands are used only for grazing purposes. Under the grant of alternate sections the result is that the Government owns one section and the company another, and we cannot sell contiguous in one tract more than a section, nor can the Government. As you are aware, many of these lands are now occupied by persons without right and without compensation to the company or the Government as cattle ranges. They will not buy unless they can get lands in considerable quantities in a solid tract, and if the present conditions continue, this state of things, to the detriment of the company and the Government, will continue, to exist indefinitely. Everybody can see this, and everybody knows it. Therefore the expediency of making a division of these lands is obvious, as it would be beneficial alike to the Government, to the company, to the public, and to the States where these lands are, as they would thereby be sold and become subject to taxation and yield revenue, and would be the means of establishing permanent instead of floating communities.

We have had, repeated application by persons owning large herds of cattle, from 1,000 to 50,000 head, for these lands; but, for the reasons above stated, we cannot sell them and are getting no benefit from them. Therefore, that these lands should be partitioned or divided is manifest. The only question is one of detail as to how it should be done. A fair division is a very simple matter. Congress could authorize the division specifying that one commissioner be appointed by the President or the Secretary of the Interior, another by the company, and the two to select a third, with authority to divide the lands equally as to value and in large tracts, the whole to be subject to the approval of the President or the Secretary of the Interior. Or Congress could pass an act authorizing the division of all grazing lands under the direction of the circuit court of the United States, giving that court the necessary authority to effect an equal partition of the lands, with the right of either party to take an appeal from the same as in a private controversy.

Land Commissioner Burnham upon this point suggests three specific plans, either of which might be adopted, as follows :

First. An exchange by the railroad with the Government of all odd-numbered sections on one side of its road for all even-numbered sec-

tions on the other side, thus giving a solid body of lands on one side of the road 20 miles in width.

Second. Some modification by Congress of present land laws permitting the sale within certain limits and under certain conditions of considerable tracts of lands for grazing purposes.

Third. Some form of lease on long time at low rates of Government sections for grazing purposes, subject, however, to the application of the homestead, pre-emption, desert-land, and timber-culture laws, wherever the same are now applicable.

Commenting on these plans Commissioner Burnham says:

The first plan if attainable would be most desirable for the company and would give quicker and greater value to its lands thus treated than any other. It might be applied on either side of the line, commencing at or about the 103d meridian, west of which, except to a limited extent in Utah, no lands have been sold by the company, and continuing through the grant. There is little choice for either the Government or the railroad, and any possible question might be readily settled by a commission in which each should be represented. The value of the Government lands thus treated would be enhanced rather than impaired.

The objections to it seem to be that it would probably not be favored by Congress as being contrary to the present policy concerning public lands and railroads; also its possible effect upon bonded securities of the companies by the substitution of other properties than those originally pledged.

The second plan would also, if once fairly established, subserve the particular interest involved, but with the first seems equally open to objections sure to be urged against it as contrary to public policy, &c.

The third plan is, to my mind, more feasible than any other, for the reason that it can be frankly and earnestly urged; that, while it practically meets every requirement of the case, it has no feature objectionable to the free and full operation of existing land laws, and will at once give value to, and cause development of, large areas now comparatively worthless.

We have thus given the views of President Dillon and of Land Commissioner Burnham on this subject, with the considerations adduced by each in support of their several propositions. Without recommending any specific plan ourselves, we do not hesitate to say that in our judgment some definite plan should be adopted whereby the interests of the Government and the company should be mutually subserved, and provision made for such a fair and equitable division of the remaining lands as shall best promote their speedy sale and utilization.

The following is the statement of sales of lands and town lots to June 30, 1883:

UNION PACIFIC RAILROAD LAND GRANT.

| | |
|--|----------------|
| Net sales, 2,220,107.19 acres..... | \$9,636,217 52 |
| Sales of town lots..... | 393,864 68 |
| Interest on land and town-lot contracts..... | 1,420,784 27 |
| Forfeited on canceled contracts..... | 304,545 79 |
| Other receipts, interest, &c..... | 88,794 53 |

Total..... 11,848,706 79

Deduct expenses paid by the trustees:

| | |
|---|--------------|
| Discounts, commissions, &c..... | \$318,833 18 |
| Premium on land-grant bonds redeemed..... | 124,313 80 |
| | 443,146 98 |

Leaves the amount received by the trustees including contracts on

hand..... 11,405,559 81

Deduct expenses paid by the company:

| | |
|---------------------------------|--------------|
| General expenses and taxes..... | 2,132,236 96 |
|---------------------------------|--------------|

Net proceeds Union Pacific Railroad land grant..... 9,373,321 85

KANSAS PACIFIC AND DENVER PACIFIC RAILWAY LAND GRANT.

| | | |
|--|-------------|----|
| Net sales, 1,767,274.42 acres for..... | \$6,551,573 | 78 |
| Sales of town lots..... | 98,421 | 59 |
| Interest on land and town-lot contracts..... | 760,072 | 28 |
| Forfeited on canceled contracts..... | 276,134 | 51 |
| Other receipts, interest, &c..... | 11,444 | 69 |

Total..... 7,697,646 85

Deduct expenses:

| | | |
|---|-----------|----|
| General expenses..... | \$823,789 | 45 |
| Discount on sales..... | 645,911 | 49 |
| Taxes..... | 107,366 | 03 |
| Interest and premium on bonds redeemed..... | 122,710 | 95 |
| | 1,699,777 | 92 |

| | | |
|---|------------|----|
| Net proceeds Kansas Pacific and Denver Pacific grants, including contracts on hand..... | 5,997,868 | 93 |
| Total net proceeds of lands to June 30, 1883..... | 15,271,190 | 78 |

The following comparative statement of land sales for the first five months for 1882-'83, shows the gradual increase in the number of acres sold and amounts received.

Statement of land sales.

| Months. | 1883. | | Month. | 1882. | |
|---------------|---------|-----------|---------------|---------|----------|
| | Acres. | Amount. | | Acres. | Amount. |
| January..... | 2,3072 | \$105,405 | January..... | 18,040 | \$87,066 |
| February..... | 42,620 | 137,902 | February..... | 28,145 | 140,677 |
| March..... | 64,426 | 282,514 | March..... | 25,948 | 130,342 |
| April..... | 84,320 | 301,415 | April..... | 20,304 | 102,897 |
| May..... | 112,305 | 413,831 | May..... | 37,355 | 176,533 |
| Total..... | 326,743 | 1,241,067 | Total..... | 120,692 | 637,535 |

LITIGATION.

It is not to be expected that a great corporation like the Union Pacific Railway Company, having landed interests in at least six States and Territories, and trade relations through the vast traffic pouring over its lines, with every State and Territory in the Union, to say nothing of its relations with other railroads, and with its own bond and stockholders should escape litigation. Either as plaintiff or defendant it must be continually in the courts. It is consequently necessary to a correct understanding of the financial condition of the company to know something of the litigation in which it is concerned as plaintiff or defendant, and particularly concerning the more important suits involving large sums, or affecting the integrity of the franchise. It has not been the practice of the Government directors hitherto to inquire especially upon this point, or give the subject much space in their report. In view of the importance of some of the suits in pendency we deemed it proper to give the subject attention, and accordingly in August last addressed to the secretary of the company some inquiries which were answered in the following communication from Hon. John F. Dillon, the company's general agent:

NEW YORK, September 28, 1883.

GENTLEMEN: I am informed by the secretary of the company that in August last, when in Boston, you asked him among other things that there should be furnished to you a statement showing "what suits the Union Pacific is interested in, whether as plaintiff or defendant, and what is their character." This inquiry has been referred to me as the company's general solicitor to answer.

What is known as the Union Division of the company's road is under the immediate charge of Mr. A. J. Poppleton, the company's general attorney, with office at Omaha. What is known as the Kansas Division is under the immediate charge of Mr. J. B. Usher, the company's general attorney, with office at Lawrence, Kansas. The local attorneys make immediate report of litigation to Messrs. Poppleton and Usher respectively; and the latter are required by regulation to make semi-annual reports to the undersigned, giving the title, character, amount claimed, and situation of every pending case against the company at any point on the lines covered by their respective jurisdictions. I have regularly received reports from Messrs. Poppleton and Usher, and they are in the office of the law department of the company in New York; and I will take great pleasure in submitting them to you, and in giving you any information touching the suits by and against the company, as shown in these reports and otherwise.

I may state generally that these reports show a number of cases by and against the company in the various States and Territories where its roads are situate, of a character common to all roads and inseparable from the transaction of railroad business, such as actions for personal injuries, for breaches of contract, for stock killed, etc., also, suits to restrain the collection of illegal taxes, and in relation to disputed tracts of land, the title to which is claimed by or against the company. I recollect no litigation in the West not of the character to which railroad companies generally are liable, except a litigation recently commenced in the State of Kansas to have determined the status of what is known as the Kansas Pacific as respects State authority and jurisdiction. In that litigation the power of the Kansas Pacific to consolidate with the Union Pacific and Denver Pacific companies, and thereby to render itself "amenable only to Federal control, and subject as to those rights and causes of action which may thereafter exist against it, only to the jurisdiction of Federal tribunals," is questioned.

Inasmuch, however, as by the act of the Kansas Legislature, passed on the 5th day of March, 1862 (Compiled Laws of Kansas of 1862, p. 767), the Legislature expressly authorized "any railway company of Kansas to unite or consolidate with any other company or companies now organized or which may hereafter be organized *under the laws of the United States*," and afterwards asked Congress to adopt the Kansas Pacific as one of the branches of the Pacific system, which Congress accordingly did by the charter of the Union Pacific; and in that charter by the sixteenth section of the act of 1862, and by the sixteenth section of the act of 1864 expressly provided "that any two or more of the companies authorized to participate in the benefits of this act are hereby authorized at any time to unite and consolidate their organizations as the same may or shall be, upon such terms and conditions and in such manner as they may agree upon, and shall not be incompatible with this act, or the laws of the State or States in which the road of such companies may be," the company's counsel, under these circumstances, apprehend no adverse result.

In addition to this, the company have a suit pending in the Court of Claims at Washington to enforce compensation for postal service under its charter for an amount very much larger than that which is allowed by the Postmaster-General. The Postmaster-General claimed the right to fix the rates; the company claimed that the measure of compensation was fixed by its charter. This question has been before the Supreme Court of the United States, which decided in the company's favor, and remitted the case to the Court of Claims to determine what was a reasonable rate of compensation for postal service. Testimony touching this question is now being taken.

There is also pending, or about to be brought at the company's suggestion, in the Court of Claims a suit with the United States to obtain a construction of the Thurman act, so called, as respects the meaning of "net earnings" as therein used.

In New York and Boston there are undetermined suits by and against the Credit Mobilier as to the state of accounts between the two companies, each claiming moneys from the other.

In New York there are suits as to the construction of an income mortgage made by the Kansas Pacific, and also as to the effect of the consolidation upon alleged liabilities of the constituent companies.

The motion for an injunction in the Leo suit has been decided in favor of the company.

If the foregoing does not embrace all that you desire to know, it will give me pleasure to comply with any further request you may make.

Very truly yours,

JOHN F. DILLON,
General Solicitor, Union Pacific Railway Company.

GEO. G. HAVEN, Esq., *Chairman.*

ISAAC H. BROMLEY, Esq., *Secretary, and others,*
Government Directors Union Pacific Railway Company.

From this it will be seen that the only suits in which the integrity of the company's franchise is directly assailed are in the nature of *quo warranto* brought by the State of Kansas—one against the Kansas Pacific Railway Company, seeking to annul the entire franchise of that company, and the other against the Union Pacific Railway Company seeking to oust the company from the right to operate the Kansas Pacific under the terms of the consolidation.

At an early stage of the proceedings in these cases it was brought to our attention that in the latter suit only the directors of the Union Pacific Railway Company elected by the stockholders had been made parties defendant, and that notwithstanding the large and direct interest of the Government in the suit, the directors representing that interest had not been informed of the proceeding by notice or summons, or by being included among the parties defendant. In order that the interests of the Government might not be left wholly unrepresented and unprotected, our chairman, Mr. Haven, acting for the Board and by its authority and by the advice of counsel, addressed a petition to the Supreme Court of Kansas asking that we be made parties to both suits, accompanying which were filed our petition and bond asking for the removal of both suits to the circuit court of the United States. The chairman of the Board having acted up to this point in the proceedings under the advice of Wager Swayne, Esq., as counsel, it was thought best before taking further action to lay the matter before the Department and receive your direction as to the subsequent steps. The following communication from Mr. Swayne to the Government Directors inclosing copies of the correspondence with the Department explains our action in the premises.

NEW YORK, October 31, 1883.

GENTLEMEN: Upon receipt of authority from you last week to Mr. George G. Haven authorizing him, as chairman of the Government Directors of the Union Pacific Railway Company, to take steps for the protection of the interests of the United States in the proceedings brought by the State of Kansas to annul the Kansas Pacific consolidation, the Union Pacific Railway Company arranged with me to act as your counsel in the premises, without expense to the United States or to yourselves. The Secretary of the Interior being that officer to whom your reports are directed by law, it seemed best that before any steps were taken by you or in your behalf, the Secretary would be informed of the pendency of these suits, and his instructions taken as to your moving in the matter.

I have, accordingly, made application in writing, in your names, to the Secretary for instructions, accompanying the same with printed copies of the bills filed by the State, and the answer of the company and the individual directors, copies of which I also transmit to each of you herewith. In reply, I have the Secretary's letter approving of your proceeding in the matter to protect the interests of the United States, as you have done, a copy of which letter, as also of my own, to which it is an answer, I inclose to you herewith.

Steps have been taken to remove the cause from the Supreme Court of Kansas to the Circuit Court of the United States for the District of Kansas. That court

meets on the fourth Monday of November next. An answer will meantime be prepared for the Government Directors, to be used if they are made parties to the suits, or either of them, setting forth the interest in the premises of the United States. A copy of this also will be transmitted to you.

Yours very truly,

WAGER SWAYNE.

TO ISAAC H. BROMLEY, Esq.,
GEORGE G. HAVEN, Esq.,
WATSON PARRISH, Esq.,
ARTHUR L. CONGER, Esq.,
COLGATE HOYT, Esq.,

Government Directors, &c.

WASHINGTON, D. C., October 29, 1883.

SIR: At the request of Mr. George G. Haven, chairman of the Government Directors of the Union Pacific Railway Company, I herewith transmit to you printed copies of the petition in each of two suits brought by the State of Kansas in the Supreme Court of that State. One of these suits is in the nature of *quo warranto* making the Kansas Pacific Railway Company the only defendant, and seeking to annul the entire franchise of that company. The other is also in the nature of *quo warranto*, and makes parties defendant only those of the directors of the Union Pacific Railway Company who are elected by the stockholders of that company, omitting the Government Directors.

This petition seeks to oust the defendants from all right or claim to operate the railroad of the Kansas Pacific Railway Company.

The ground of these suits is mainly that the Kansas Pacific Railway Company has consolidated with the Union Pacific Railway Company, and since then has not acknowledged itself to be a corporation of Kansas, nor kept its general offices in that State. The laws of Kansas provide that if judgment of ouster is entered in such cases, a receiver shall be appointed, the property of the corporation applies to the payment of its debts, and the affairs wound up.

In view of the repeated and peremptory requirements of the acts of Congress, by the aid of which these roads were built, that the Union Pacific Railroad and branches shall be operated as one continuous line, the further duties required of said railroad and branches by said acts, and the advances of money and grants of land made by the United States to the Kansas Pacific Railway Company, the Government Directors feel that interests of the United States are here involved which require to be protected. They have, therefore, instructed me as their counsel to lay before you the accompanying papers and ask your instructions in the premises. I also submit for your instruction a petition by Mr. Haven, for himself and the other Government Directors, which has been prepared by myself, addressed to the supreme court of Kansas, asking that the petitioners be made parties to both suits, and a petition and bond, to be used subsequently, for removal of both suits to the circuit court of the United States.

Your obedient servant,

Hon. HENRY M. TELLER.

WAGER SWAYNE.

Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,

Washington, October 29, 1883.

SIR: I am informed that the State of Kansas has commenced legal proceedings in the supreme court of that State against the Union Pacific Railway Company and the directors thereof elected by the stockholders of said company, but that the directors appointed by the President to represent the interests of the United States in said corporation have not been made parties to such proceedings; that the proceedings are in the nature of *quo warranto* for the dissolution of the corporation called the Kansas Pacific Railway Company; that the action is based on the charge that the Kansas Railroad Company has forfeited its charter by consolidation with the United Pacific Railway Company.

Inasmuch as the United States is largely interested by way of mortgage or otherwise in the property of said Kansas Pacific Railway Company and in the maintenance of the said line in connection with the Union Pacific Railroad, as a continuous line, I consider it necessary that the directors appointed by the President to represent the interests of the United States in said Union Pacific Railroad Company should be made parties to such proceedings and should take such further steps as may be required to protect the interests of the United States.

Very respectfully,

H. M. TELLER

Secretary.

Hon. GEORGE G. HAVEN,

Chairman of the Government Directors,

Union Pacific Railroad Company, New York City.

The *quo warranto* cases were called in the United States circuit court of Kansas on the 26th of November last, the State being represented by the Attorney-General, and the Union Pacific Railway Company by Messrs. Dillon & Swayne. A postponement was asked by the Attorney-General on account of the absence of Mr. Clarence A. Seward, associate-counsel, and was opposed by the attorneys for the company upon the ground that they had been in communication with Mr. Seward and had learned from that gentleman that it was not his intention to be present at the hearing upon the petition to remove the suits to the circuit court of the United States. After some delay a postponement of one month was granted.

The general solicitor of the company informs us that at the suggestion of the United States circuit judges an arrangement was made by the counsel in the cases that a formal order remanding the cases should be entered and the causes be thereupon removed to the Supreme Court of the United States; and this has been done, the State stipulating meantime that it will not proceed in the State court while the matter is pending in the United States Supreme Court. It is believed that the question whether the trial of those cases in the first instance shall be had in the State or the Federal court will be decided by the United States Supreme Court at its present session. It is not disputed that that court has the ultimate right to decide the questions at issue between the State and the company.

THE DEBT TO THE GOVERNMENT.

The relations between the company and the Government growing out of the bonded indebtedness of the consolidated roads to the Government have never been entirely harmonious or satisfactory. Differences of opinion have arisen concerning the amounts due the company for Government service, mail carriage, Army transportation, &c., the terms of payment, construction of charter provisions and laws of Congress, and other matters of detail, so that there has seemed to be a constant clashing of interests between the two. The so called Thurman act, which was intended to be a conclusive settlement of the questions at issue between the Government and the company, has failed to effect its purpose, and a mutual understanding as to its meaning and scope has not yet been reached. That portion of the act which provided for the investment of a fixed proportion of the earnings of the road in certain United States bonds as a sinking fund for the gradual extinction of the debt, has been rendered inoperative and null by the action of the Government in taking up the bonds of the class named in the act, so that there are none now to be purchased in market. Hence it happens that the company has paid into the United States Treasury large sums of money which lie idle and uninvested, to, the company's loss, and with no gain to the Government. The value of the company's securities is impaired by this condition of things. It seems plain that, for the sake of the Government as well as of the company, there should be some additional legislation on this subject at as early a day as possible.

We are informed that it has been made a subject of consultation between the Treasury Department and the General Railroad Commissioner, but we do not learn that any practical result has been arrived at or any definite plan agreed on. The bonds issued in aid of the Union Pacific and Kansas Pacific roads, secured by second mortgage, fall due in 1895. They amount in principal and unpaid interest to nearly \$50,000,000.

Unless some provision is made to refund this debt upon a satisfactory

basis it is to be feared that the company will not be able to meet its obligations, and that disastrous financial complications may result. To avoid this it has been suggested that an actuarial computation of the net amount of those debts, principal and interest, at a certain day, say July 1, 1884, be made, and that this sum be divided into 120 equal parts, the company to issue 120 interest-bearing bonds, payable on each six months, until the whole debt is extinguished. This would give the company a fixed and definite sum to pay semi-annually, and would extend the time of payment over sixty years, at a constantly decreasing annual draft. The effect would be to remove the misunderstandings now existing as to what constitutes the 25 per cent. of net earnings required to be paid under the Thurman act, and would at the same time strengthen the security of the Government and enhance the credit of the company. This or something similar in the way of legislation seems to us very desirable, if not absolutely demanded by the necessities of the case. Should such a proposition be made by the company on behalf of the Government, we have no reason to doubt that it would be cordially accepted by the company.

IN CONCLUSION.

In concluding our report, which is necessarily somewhat longer than usual, on account of the number of topics it has been thought desirable to cover, we have only to repeat the expression of our confidence in the future of the road and its ultimate ability to meet all its obligations to the Government. The road-bed, track, buildings, and equipment are all in excellent condition, and kept well up to the highest standard of the best roads in the country. The feeding lines are bringing each year additional traffic to the main line and increased profits from their own business, to the permanent advantage of the whole system.

G. G. HAVEN,
ISAAC H. BROMLEY,
W. PARRISH,
COLGATE HOYT,
ARTHUR L. CONGER.



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